

## Write-Off Policy

Enforcement action is to be taken prior to considering write off.

All reasonable and economical debt recovery action should be taken before consideration is given to writing off a debt. The degree of enforcement action attempted should be dependent on the amount owed, the type of debt and the customer's personal circumstances where they are known.

Debts to be written off fall into two broad categories, firstly those debts that the Council is unable to collect and secondly those debts that are deemed uneconomic to collect. The following reasons are recognised as valid reasons for the write off of debts, subject to all appropriate action to enforce payment having been attempted.

### *Unable to recover:*

- The customer is deceased and has left no estate
- The customer is subject to a formal insolvency order (*in such cases any accruing debt to be written off will only be up to the date of the order*)
- The debt has been remitted by the court
- It would cause the customer hardship to enforce payment, or it is in the interests of the Council or the wider community to write off the debt. This includes the use of the Council's powers under Section 49 of the Local Government Finance Act 1988 in respect of writing off a Non-Domestic Rate on the grounds of hardship when appropriate
- The customer has absconded/gone away and cannot be traced
- The customer is living outside the jurisdiction of the English Courts and is unlikely to return.
- The Court has refused to make an order in respect of the debt
- The customer has served a prison sentence to discharge the debt
- The debt is an overpayment of Housing Benefit which is deemed to be unrecoverable in accordance with the Housing Benefit General Regulations 1987 and the Department for Work and Pensions overpayment guidance manual
- The age of the debt precludes recovery or the debt as it is statute barred.

*Uneconomic to recover*

- It is uneconomical to take action to enforce payment if the amount is a small balance (under £10) or it is in the Council's interest to agree a negotiated settlement of part of the debt
- In general, recommendation for debts to be written off should be made only where one of the above categories applies. However, it is recognised that it is difficult to anticipate all potential circumstances where write off may be justified, and that on occasion it may be appropriate to write off a debt for other reasons. Where this is the case a full written report justifying the recommendation must be provided to the appropriate authorised Officer, who will make a decision regarding the writing off of the debt.

**Authorisation to write off debts**

The Council's Financial Rules allow for debts in relation to Revenues and Benefits to be written off in accordance with the debt write off policy as agreed from time to time by the Cabinet. For Revenues and Benefits in accordance with paragraph 14.3 of the Financial Rules debt write-off may be approved in accordance with the following table:

Value of Debt	Staff Authorised to Write Off Debt
Up to £10,000	Head of Revenues and Head of Benefits
£10,000.01 to £20,000	Director of Community Solutions
Over £20,000	Chief Financial Officer/ s151 Officer

Authorisation may only be given by means of an original signature. A single signature may be applied to a schedule of debts of individual amounts within a single category. Signed approved documents are scanned and stored for 6 years.

**Guidelines to authorising write off of debts**

In considering the approval to write off a debt the authorising staff shall give consideration to:

- This Policy
- The interest of the local community
- The Council's fiduciary responsibilities
- The rights of the customer and the effect of continued enforcement action.