



The Anglia Revenues and Benefits Partnership

Debt Write-Off Policy

DEBT WRITE-OFF POLICY

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Date: 1 December 2011

DOCUMENT APPROVED AT: - **JOINT COMMITTEE:**

LAST REVISION DATE: 10th May 2011

NEXT REVISION DATE: June 2012

INTRODUCTION

On occasions it becomes necessary to write off debt that cannot be effectively recovered in accordance with the Debt Management & Recovery Policy. This policy sets the framework for officers to administer the write off of debts and should be used in conjunction with the ARP's Debt Management and Recovery Policy and each Councils' respective corporate write-off procedures, to manage debt in an efficient and effective manner.

POLICY STATEMENT

Forest Heath District Council, East Cambridgeshire District Council, Breckland Council and St Edmundsbury Borough Council working as the Anglia Revenues and Benefits Partnership (ARP), under authority of Section 101(b) of The Local Government Act 1972, will deal with writing off debts in a professional manner that shows respects for customers, members of staff and anyone else involved in the process and deal with each request as stated in this Policy document.

EQUALITY

ARP is committed to equality of opportunity and valuing diversity in both the provision of services and in its role as a major employer. We believe that everyone has the right to be treated with dignity and respect. We are committed to the elimination of unfair and unlawful discrimination in all our policies, procedures and practises. We are determined to ensure that no member of the public, employee or job applicant receives less favourable treatment on the grounds of their age, child care or other caring responsibilities, disability, gender, HIV status, language, marital status, race, religion, sexuality, membership or non-membership of a trade union, or by any requirement which cannot be shown to be justifiable.

DATA PROTECTION

This policy is compatible with Data Protection requirements.

CRIME AND DISORDER ACT

This policy is compatible with Section 17 of the above act. All staff are aware of their responsibilities and duty under this, and are mindful of its relevance. It is part of the induction process and training programme.

AIMS

The key aims of this policy are as follows:

- To ensure that all reasonable steps have been taken and that no further recovery action is practicable
- To assist the ARP Debt Management and Recovery Policy by clearing debt that is not considered practicable to pursue any further, and to concentrate resources on collectable debt.
- To provide officers with clear parameters to administer this policy.
- To treat individuals consistently and fairly regardless of age, gender, ethnicity, disability and sexual orientation and to ensure that individuals' rights under Data Protection and Human Rights legislation are protected.
- To support the objective of ensuring organisational effectiveness through good management, optimising external income and listening to local people.

SCOPE

The main sections involved in debt write-off are Finance and Revenue Services. The debts involved are primarily:

- Council Tax
- National Non Domestic Rates
- Overpaid Housing Benefit
- Sundry Debts
- Discretionary Housing Payments

GENERAL PRINCIPLES

- The ARP will make every effort to collect monies due to the Councils', in accordance with the Debt Management and Recovery Policy of the ARP.
- Before writing off debt, the ARP will satisfy itself that all reasonable steps have been taken to collect it and that no further recovery action is practicable. It will take into account the age, size and types of debt, together with any other factors that it feels are relevant to the individual case.
- Proper internal controls shall be maintained to ensure there remains adequate separation of duties of those responsible for initially raising the debt, and the officer authorised to write off the debt.

REASONS FOR WRITE-OFF – ALL TYPES OF DEBT

This is not intended to be an exhaustive list; it is merely a guide to reasons for considering a debt for write off.

- a) Age of Debt – debt becomes statute barred – Where the debt is more than six years old and not currently in recovery or a number of years has passed since any recovery action has been taken
- b) Deceased – Where the debtor to whom the debt relates and the invoice was sent has died, in the absence of a surety
- c) Gone Away/No Trace – Where the debtor has moved out of the county or abroad, or it would prove uneconomic to trace
- d) Uneconomic – Where the taking of recovery action would cost the Authority more than the outstanding debt
- e) Bankruptcy – Where the debtor has been declared bankrupt
- f) Age / Health of Debtor / Social Position – Where the circumstance of a particular case makes recovery from an elderly or infirm debtor unreasonable.
- g) Debt remitted by the court – committal action leads to remission of debt by the court

REASONS FOR WRITE-OFF – HOUSING BENEFIT

In addition to the guidelines above, reasons that specifically apply to Housing Benefit only:

- a. Irrecoverable - Where the overpayment cannot be recovered due to official error as required by Regulation 100 of the Housing Benefit regulations 2006
- b. Technical – These are system created overpayments that do not actually exist and therefore should not be classed as write offs. These will need to be entered in the system as write offs, but only for ease of administration. No authorisation is required for this.

OFFICER DELEGATIONS

Debts will normally only be considered for write off where the account is “closed”. An account is defined as “closed” when there is no future liability. Only in exceptional circumstances will amounts on “live” accounts be considered for write off. Such cases must demonstrate that further recovery action will not achieve collection of the debt.

Decisions on the write off of individual debts will be taken in accordance with the scheme of delegation shown in the tables below. The decision will be taken at the appropriate level according to the size of the debt.

Breckland Council			
“Citizen Debts” £0 to £99	(Closed Accounts) Delegated officer of the Service Manager	“Business Debt” £0 to £499	(Closed Accounts) Delegated officer of the service manager
£100 to £499 £500 & over	Service Manager S151 Officer	£500 to £1,999 £2,000 & over	Service Manager S151 Officer
£0 to £499 £500 & over	(Live Accounts) Service Manager S151 Officer	£500 & over	(Live Accounts) S151 Officer

Forest Heath District Council			
“Citizen Debts” £0 to £99	(Closed Accounts) Delegated officer of the Service Manager	“Business Debt” £0 to £499	(Closed Accounts) Delegated officer of the service manager
£100 to £1499 £1499 & over	S151 Officer Council’s Finance Committee	£100 to £1499 £1499 & over	S151 Officer Council’s Finance Committee
£0 to £99 £100 to £1499 £1499 & over	(Live Accounts) Service Manager S151 Officer Council’s Finance Committee	£0 to £99 £100 to £1499 £1499 & over	(Live Accounts) Service Manager S151 Officer Council’s Finance Committee

East Cambridgeshire District Council			
“Citizen Debts” £0 to £999 £1000 & over	(Closed Accounts) S151 Officer Policy & Resources Committee	“Business Debt” £0 to £999 £1000 & over	(Closed Accounts) S151 Officer Policy & Resources Committee
£0 to £999 £1000 & over	(Live Accounts) S151 Officer Policy & Resources Committee	£0 to £999 £1000 & over	(Live Accounts) S151 Officer Policy & Resources Committee

St Edmundsbury Borough			
“Citizen Debts” £0 to £500	(Closed Accounts) Revenue and Benefits Manager	“Business Debt” £0 to £500	(Closed Accounts) Revenue and Benefits Manager
£500 & £1500	S151 Officer	£500 & £1500	S151 Officer
£1500 & over	Cabinet	£1500 & over	Cabinet
	(Live Accounts)		(Live Accounts)
£0 to £500	Revenue and Benefits Manager	£0 to £500	Revenue and Benefits Manager
£500 & £1500	S151 Officer	£500 & £1500	S151 Officer
£1500 & over	Cabinet	£1500 & over	Cabinet

“Citizen Debts” are defined as a debt owed by an individual and not covered by the definition for business debt. “Business Debt” is defined as a debt owed by an organisation classified as a sole trader, partnership or company

The Section 151 Officer shall determine from time to time the investigation levels that should be applied to all cases before any debt can be considered for write off. The cumulative value of debts should be taken into account before proposing any course of action

Any debts written off shall be reported to Members in accordance with the requirements outlined in the Councils’ Constitution.

DEBT WRITTEN BACK ON

Any debt that has been written off can, if appropriate, be written back on, subject to statute. The reasons a debt may be written back on are listed below.

- Returned from abroad.
- Returned to area, where previously no trace.
- Whereabouts becomes known.

Where any of the above is applicable the debt may be written back and normal recovery action resumed.

IMPLEMENTATION AND TRAINING

This policy will be made available to all staff dealing with income collection and recovery. This will be reinforced with training and management supervision of all staff involved in collecting debt.

COMPLAINTS

Each respective Councils’ ‘Compliments and Complaints Procedure’ (available on the Councils’ websites) will be applied in the event of any complaint received about this policy.

POLICY REVIEW

This policy will be managed and reviewed every year and, from time to time, updates and re-issues will be circulated. However, the policy will be reviewed sooner if a weakness in the policy is highlighted, in the case of new risks, and/or changes in legislation.

Each section will be responsible for ensuring that this policy is adhered to and effective.

Authors	Sharon Jones
Review Date	1 December 2011
Next Review	June 2012
Document Version	1.3
Document Location	G:/ Policy/ 2011 Policies

REVISION HISTORY

	Description	Date	Author(s)
1.0	Original Policy	28.02.08	Steve Knights
1.1	Annual Review	27.02.09	Steve Knights
1.2	Annual Review	10.05.10	Sharon Jones
1.3	Annual Review	01.12.11	Sharon Jones