

	<p>ACTION TAKEN UNDER DELEGATED POWERS BY OFFICER</p> <p>8 February 2017</p>
<p style="text-align: right;">Title</p>	<p>Write-Off of Sundry Income Debts Under £5,000 – Adult Social Care</p>
<p style="text-align: right;">Report of</p>	<p>Chief Finance Officer (in consultation with Head of Legal Services)</p>
<p style="text-align: right;">Wards</p>	<p>All</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Enclosures</p>	<p>Appendix 1-List of sundry income debts under £5,000 recommended for write off.</p>
<p style="text-align: right;">Officer Contact Details</p>	<p>David Rowe - Head of Exchequer Services dave.rowe@barnet.gov.uk 020 8359 7242</p>

Summary
<p>This report proposes the write off of individual sundry income debts within Adult Social Care of less than £5,000.00, which are uncollectable for reasons provided in this report, with a total write off sum of £451,157.89.</p>

Decision
<p>To approve the write off of individual sundry income debts from Adult Social Care fees of up to £5,000 as detailed in the appendix to this report.</p>

1. WHY THIS REPORT IS NEEDED

- 1.1 Sundry income is incurred when the council supplies goods/services to an individual/company excluding Council Tax and Business Rates. Examples of sundry income include trade waste collection, adult care fees, commercial rent and the provision of meals at home etc.

- 1.2 The debts listed in Appendix 1 represent sundry income debts of £451,157.89 which are considered irrecoverable and are recommended for write off. This could be because it is uneconomical to recover the debt or because we are unable to recover the debt. The individual debts are all under £5,000 and cover the financial years from 2005/06 to 2016/17. A list of the individual debts is at Appendix 1.
- 1.3 Some debts are very old because we continue to pursue outstanding debt irrespective of age until there is no possibility of payment. Where available, we use telephone and email contact details that we may hold, as well as using search agencies to try and elicit contact from debtors.
- 1.4 The collection procedures used for the recovery of the majority of these debts have included the issue of an invoice, a reminder and also a final notice. Additionally and where appropriate, debt collection agencies are used and where legal action was undertaken a Notice before Proceedings would have been issued. Efforts have also been made to contact the debtor where possible and to agree suitable instalment arrangements.
- 1.5 The debt referred to in this report is for sundry income debt where there is no prospect of recovery. There are a number of reasons including; that the debtor has died leaving insufficient estate; the debtor has absconded or the debt is uneconomical to pursue.
- 1.6 The breakdown of the incidences and value of the debt by reason is set out below:

Reason	Number	Value £
Debtor absconded	50	8,890.78
Insufficient funds in estate	737	290,467.05
Recovery action exhausted	304	54,579.51
Statute barred	5	672.45
Uneconomical to pursue	862	96,548.10
TOTAL	1,958	451,157.89

2. REASONS FOR DECISIONS

- 2.1 The proposed write off of these debts is in line with good accounting practice, which requires that debit balances accurately reflect realisable income and it removes uncollectable debt from the system.

3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 3.1 All avenues of recovery that were economical and practical have been considered before this course of action. There are no further alternative options where the debtor cannot be traced despite attempts to do so.

4. POST DECISION IMPLEMENTATION

- 4.1 If the recommendation is approved the debtor accounts are updated and the data is reconciled to reflect the information in this report. The debtor accounts are annotated on the system to reflect that a write off has taken place and the annotation will alert us if the debtor contacts us in the future. This information is retained on the database.
- 4.2 For debts that may still be within the statutory limitation period to pursue, although they will be noted as written off on the system (for reasons noted in the Appendix to this report), they will remain on the system and the debt can be reinstated should circumstances change such that pursuing the debt is viable again.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Council's Corporate Plan for 2015-2020 includes strategic objectives to ensure that Barnet is a place of opportunity, where responsibility is shared and where services are delivered efficiently to get value for money for the tax-payer. Writing off irrecoverable debts will contribute to providing an efficient service.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 A provision in the accounts has been made for the write-off of all sundry debts within Adults Social Care. The bad debt provision for sundry income debts within Adult Social Care is currently £853,486. Within the 2016/17 monitoring position of the service an increase to the bad debt provision has been assumed of £350,000.

5.3 Legal and Constitutional References

- 5.3.1 The Council has a fiduciary duty to its council tax payers to recover monies owing to it, where it would be acting reasonably in doing so. However, in the cases listed in this report and for the reasons given, it is either not possible due to statutory limitations, or not reasonable or economical to pursue recovery of the debts.
- 5.3.2 In accordance with the Council's Constitution part 15 Annex B Responsibility

for Functions, Scheme of Delegated Authority to Officers, the Chief Operating Officer/Director of Finance has authority to write off debt amounts up to and including £5,000 in consultation with HB Public Law.

5.4 Risk Management

5.3.1 It is not considered that the issues arising in this report are likely to raise significant levels of public concern or give rise to policy considerations as the decision to write off these debts has been based on the fact that all appropriate avenues for recovery have been explored. There is no longer a realistic possibility of their economic recovery.

5.5 Equalities and Diversity

5.5.1 The Equality Act 2010, section 149, outlines the provisions of the Public Sector Equality Duty which requires Public Bodies to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010
- advance equality of opportunity between people who share a relevant protected characteristic and people who do not
- foster good relations between people who share a relevant protected characteristic and people who do not

5.5.2 The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

5.5.3 The broad purpose of this duty is to integrate considerations of equality into day to day business and keep them under review in decision making, the design of policies and the delivery of services

5.5.4 It is considered unlikely that the write off of debts within this report will have an adverse impact on the protected groups under the Equality Act 2010 or that it raises any concerns under Equality and Diversity policies.

6. BACKGROUND PAPERS

6.1 None

7. DECISION TAKER'S STATEMENT

7.1 *I have the required powers to make the decision documented in this report. I am responsible for the report's content and am satisfied that all relevant advice has been sought in the preparation of this report and that it is compliant with the decision making framework of the organisation which includes Constitution, Scheme of Delegation, Budget and Policy Framework and Legal issues including Equalities obligations.*

8. OFFICER'S DECISION

I authorise the following action:

To write off sundry individual debts up to £5,000.00 with a total write-off value of £451,157.89

Signed

John Hooton, Chief Executive

Date

8 February 2017
