

## **Write Offs**

### **Sundry Debt Write Offs**

Sundry debt write-off's totally £0.306m is requested for write off, the detail of which can be seen in Table 1 below.

Actions taken to recover debt over £5,000 are as per the Council's Income & Debt Management Policy. If an invoice is raised and remains unpaid, the "dunning" process comes into play as follows:-

- Level 1 - a reminder is sent after 21 days
- Level 2 - a second notice is sent after 35 days i.e. a further 14 days

The Income Team have review all Level 2 cases remaining outstanding greater than 49 days (allowing a further 14 days to pay after the Final Notice) to decide whether the debt recovery should proceed.

Depending on the type of debt, customer and circumstances, the use of debt collectors or issuing proceedings in the County Court is considered. Every case is treated individually, hence the circumstances of each debt is assessed prior to taking a decision on the recovery of the debt in conjunction with the delivery unit.

**Table 1 – Write-offs in excess of £5,000**

Sundry Debt Write-offs over £5k					
Customer Name	Financial Year	Directorate	Description	Amount	Comments
Redacted	2009/2010	Adults and Communities	Appointeeship	£6,988.13	Insufficient funds in estate
Redacted	2010/2011	Adults and Communities	Residential Write Off	£9,899.35	Insufficient funds in estate
Redacted	2011/2012	Deputy Chief Executive	Car Loans	£6,549.64	Recovery action exhausted
Redacted	2012/2013	Adults and Communities	Residential Unsecured Norwel	£9,493.69	Uneconomical to pursue
Redacted	2012/2013	Adults and Communities	Residential Unsecured Norwel	£16,803.24	Insufficient funds
Redacted	2012/2013	Adults and Communities	Residential Unsecured Norwel	£6,130.82	Insufficient funds in estate
Redacted	2012/2013	Adults and Communities	Residential Unsecured Norwel	£5,454.43	Insufficient funds
Redacted	2012/2013	Adults and Communities	Residential Unsecured Norwel	£9,304.63	Insufficient funds
Redacted	2012/2013	Adults and Communities	Residential Unsecured Norwel	£7,349.54	Insufficient funds
Redacted	2012/2013	Adults and Communities	Residential Unsecured Norwel	£23,905.92	Insufficient funds
Redacted	2012/2013	Adults and Communities	Residential Unsecured Norwel	£17,961.26	Insufficient funds
Redacted	2012/2013	Adults and Communities	Residential Unsecured Norwel	£11,177.83	Insufficient funds in estate
Redacted	2012/2013	Adults and Communities	Residential Unsecured Norwel	£10,125.91	Uneconomical to pursue
Redacted	2013/2014	Adults and Communities	Residential Unsecure	£13,068.57	Uneconomical to pursue
Redacted	2013/2014	Adults and Communities	Residential Unsecured Norwel	£9,677.24	Uneconomical to pursue
Redacted	2013/2014	Adults and Communities	Residential Unsecured Norwel	£8,444.35	Uneconomical to pursue
Redacted	2013/2014	Adults and Communities	Residential Unsecured Norwel	£5,509.28	Insufficient funds in estate
Redacted	2013/2014	Adults and Communities	Residential Unsecured Norwel	£19,484.65	Insufficient funds in estate
Redacted	2013/2014	Adults and Communities	Residential Unsecured Norwel	£9,200.70	Insufficient funds
Redacted	2013/2014	Adults and Communities	Residential Unsecured Norwel	£7,082.44	Insufficient funds
Redacted	2013/2014	Adults and Communities	Residential Unsecure	£8,168.40	Insufficient funds
Redacted	2013/2014	Adults and Communities	Residential Unsecured Norwel	£15,957.36	Insufficient funds in estate
Redacted	2013/2014	Adults and Communities	Consolid Instal Plan	£8,927.98	Recovery action exhausted
Redacted	2014/2015	Environment	Court Costs	£24,328.23	Bankrupted
Redacted	2014/2015	Adults and Communities	Residential Unsecured Norwel	£12,567.12	Insufficient funds
Redacted	2014/2015	Adults and Communities	Residential Unsecured Norwel	£7,394.72	Insufficient funds in estate
Redacted	2014/2015	Adults and Communities	Residential Unsecure	£5,237.54	Insufficient funds in estate
Redacted	2014/2015	Adults and Communities	Residential Unsecure	£9,940.70	Negative Probate search
<b>Total</b>				<b>£306,133.67</b>	

## Council Tax and Non-Domestic Rates

The debts are within Barnet's existing bad debt provision including the GLA precept for council tax, and GLA and Government shares of retained business rates. The bad debt provision for Council Tax is currently £21.7m and for Business Rates is £9.7m.

### Council Tax

Irrecoverable council tax debts of £130,772.87 are requested for write off. The individual debts are all £5,000 or more and cover the financial years from 2005/2006 to 2015/2016.

All the debts are in respect of closed accounts. Most are in respect of debtors who have absconded. Table 2 provides a breakdown of the age of debts recommended for write off.

Attempts to trace absconded debtors include searches of internal systems, enquiries made with owners, agents and new occupiers of properties, and visit reports by the council's Enforcement agents. Having regards to cost effectiveness, the extent of tracing activity will correspond to the amount of individual debts, with a greater number of checks being carried out in respect of larger debts. Although a rare event, it has happened in the past and therefore should be noted, that if any of the debtors' whereabouts are discovered following write off, their debt will be re-raised and attempts made to recover it, subject to statutory limitation periods and it being economical to do so. The accounts submitted in this list have not previously been subject to write off.

**Table 2 – Council Tax write-offs in excess of £5,000**

Sum of Write Off Amount for Council Tax			
Financial year Debt Raised	Liability	Cost	Total Value
2005/2006	£2,430.92	£224.00	£2,654.92
2006/2007	£3,798.80	£190.00	£3,988.80
2007/2008	£3,964.60	£500.00	£4,464.60
2008/2009	£6,541.51	£985.00	£7,526.51
2009/2010	£9,520.66	£1,451.62	£10,972.28
2010/2011	£14,764.43	£1,358.00	£16,122.43
2011/2012	£20,568.30	£970.00	£21,538.30
2012/2013	£24,971.92	£1,358.00	£26,329.92
2013/2014	£23,516.69	£970.00	£24,486.69
2014/2015	£11,086.17	£776.00	£11,862.17
2015/2016	£535.25	£291.00	£826.25
<b>Grand Total</b>	<b>£121,699.25</b>	<b>£9,073.62</b>	<b>£130,772.87</b>

## Non-Domestic Rates (NDR)

Irrecoverable National Non Domestic debts of £1,000,697.48 are requested for write off. The individual debts are all £5,000 or more and cover the financial years from 2006/07 to 2015/16.

All the debts are in respect of closed accounts. Most are in respect of debtors who have absconded. See table 3 below for the breakdown of the age of debts recommended for write off.

Attempts to trace absconded debtors include searches of internal systems, enquiries made with owners, agents and new occupiers of properties, and visit reports by the council's Enforcement agents. Having regards to cost effectiveness, the extent of tracing activity will correspond to the amount of individual debts, with a greater number of checks being carried out in respect of larger debts. Although a rare event, it has happened in the past and therefore should be noted, that if any of the debtors' whereabouts are discovered following write off, their debt will be re-raised and attempts made to recover it, subject to statutory limitation periods and it being economical to do so. The accounts submitted in this list have not previously been subject to write off.

**Table 3 – Non Domestic rates write-offs in excess of £5,000**

Sum of Write Off Amount for Non-Domestic rates			
Financial year Debt Raised	Liability	Cost	Total Value
2006/2007	2,043.60		2,043.60
2007/2008	4,072.00		4,072.00
2008/2009	16,330.82	504.00	16,834.82
2009/2010	38,970.75	850.00	39,820.75
2010/2011	56,787.06	1,020.00	57,807.06
2011/2012	80,908.21	1,700.00	82,608.21
2012/2013	235,340.18	4,160.00	239,500.18
2013/2014	277,116.51	4,970.00	282,086.51
2014/2015	261,980.41	4,188.40	266,168.81
2015/2016	9,075.54	680.00	9,755.54
<b>Grand Total</b>	<b>£982,625.08</b>	<b>£18,072.40</b>	<b>£1,000,697.48</b>

**Table 4 - Non Domestic rates write-offs in excess of £5,000 analysis**

Type	Liability	Costs	Grand Total
Dissolved	177,251.78	4,018.40	181,270.18
Bankruptcy	67,614.02	1,190.00	68,804.02
Absconded	321,780.87	5,267.00	327,047.87
In liquidation	65,359.64	340.00	65,699.64
Dissolved for Insolvent	338,005.09	6,747.00	344,752.09
Uncollectable	12,613.68	510.00	13,123.68
<b>Grand Total</b>	<b>£982,625.08</b>	<b>£18,072.40</b>	<b>£1,000,697.48</b>

## Housing

### General Fund & HRA debt Write-offs

The aggregate of the requested scheduled Housing write-off's where the individual debt level is in excess of £5,000 is £0.323m; with £0.261m relating to the General Fund (Table 5); £0.024m relating to the Housing Revenue Account former tenants (Table 6) and £0.038m relating to Housing Revenue Account Former Leaseholders (Table 7).

### Recovery process for former tenants

#### Standard cases

- Week 1 - First Former Tenant warning Letter is sent
- Week 2 - Second Former Tenant warning Letter is sent
- Week 3 - The debt is either written off if it's uneconomical to recover or referred to a debt collection agency.

#### Deceased cases

- Week 4 - First Former Tenant warning Letter is sent
- Week 5 - Second Former Tenant warning Letter is sent
- Week 6 – Third Former Tenant warning Letter is sent
- Week 7 – The debt is moved to probate write off

Debts in excess of £5,000 most commonly relate to closed accounts with the majority being statute barred, this occurs when the council is legally unable to recover any monies owed by tenants due to the recovery time permitted by law being exceeded. Debts which are not statute barred (statue barred – greater than 6 years and no longer collectible) are treated as irrecoverable as the debtor is either unable to be traced, deceased with no estate or the debt is of a non-material amount, thus is uneconomical to recover.

**Table 5 – General Fund Write-Offs in excess of £5k**

General Fund Write-Offs over £5k			
Financial Year	Account Number	Amount	Comments
2006/2007	170018745	£7,180.19	Statute Barred
2006/2007	170052213	£7,864.56	Statute Barred
2007/2008	170025537	£8,881.79	Statute Barred
2007/2008	170054554	£8,766.00	Statute Barred
2007/2008	151385016	£11,535.69	Statute Barred
2007/2008	170043830	£5,407.40	Statute Barred
2007/2008	170049160	£5,878.74	Statute Barred
2007/2008	170013768	£20,793.85	Statute Barred
2007/2008	170036327	£9,838.26	Statute Barred
2008/2009	154586015	£5,473.55	Statute Barred
2008/2009	170045813	£13,380.46	Statute Barred
2008/2009	170018720	£11,655.61	Statute Barred
2008/2009	170049210	£5,474.94	Statute Barred
2008/2009	170066392	£7,794.96	Statute Barred
2008/2009	170087959	£5,302.56	Statute Barred
2008/2009	170032147	£12,738.64	Statute Barred
2008/2009	170089055	£13,637.88	Statute Barred
2009/2010	170061164	£26,903.59	Statute Barred
2009/2010	170062472	£10,294.80	Statute Barred
2009/2010	170054476	£9,496.50	Statute Barred
2009/2010	170080630	£9,194.92	Statute Barred
2009/2010	170079470	£17,957.88	Statute Barred
2009/2010	170068861	£5,480.98	Statute Barred
2009/2010	170059899	£6,640.60	Statute Barred
2009/2010	170068623	£13,057.32	Statute Barred
<b>Total</b>		<b>£260,631.67</b>	

**Table 6 – HRA Write-Offs in excess of £5k**

Housing Revenue Account Write-offs over £5k			
Financial year	Account Number	Amount	Comments
2013/14	117699010	£5,896.97	Unable to trace
2015/16	170133828	£5,448.72	Statute barred
2015/16	123611021	£7,159.85	Statute barred
2015/16	170130250	£5,487.98	Statute barred
<b>Total</b>		<b>£23,993.52</b>	

**Table 7 – HRA Former Leaseholder Write-Offs in excess of £5k**

The provision made will cover the amount of debt proposed to be written off within the Housing Revenue Account (HRA), the current bad debt provision balance is £0.615m

HRA Leaseholder Write-offs over £5k			
Financial year	Account Number	Amount	Comments
1997/98	32468	£15,650.29	Statute barred
1997/98	468565	£8,404.81	Statute barred
1997/98	349325	£8,366.78	Statute barred
1997/98	478792	£5,383.67	Statute barred
<b>Total</b>		<b>£37,805.55</b>	