

EAST RENFREWSHIRE COUNCILCABINET24 March 2016Report by Deputy Chief ExecutiveWRITE-OFF OF IRRECOVERABLE COUNCIL TAX**PURPOSE OF REPORT**

1. The purpose of this report is to seek approval to write-off as irrecoverable Council Tax and Water Charges totalling £260,119.25.

**RECOMMENDATION**

2. It is recommended that the Cabinet notes the report and approves the write off £196,898.12 of Council tax arrears and £63,221.13 of Water and Sewerage charges without prejudice to subsequent recovery procedure.

**BACKGROUND**

3. The Council debt recovery policy lists situations where write-off debts will be considered when all viable means of collection are exhausted. These include the following:

- Debtor is deceased and has left no estate.
- Debtor has been sequestrated.
- Debtor has gone away, and all attempts to trace them have been undertaken.

Small Balances, uneconomical to pursue

**REPORT**

4. A recent trawl of outstanding Council Tax accounts shows by reason of write-off:

	<u>Number of Accounts</u>	<u>Council Tax Total</u>	<u>Water &amp; Sewerage</u>
		£	£
Deceased	18	23,346.37	7494.28
Sequestrated	366	167,589.86	53,797.01
Gone Away	16	4660.68	1496.10
Small Balances	353	1301.21	433.74
	753	196,898.12	63,221.13

5. The comparative write-off which the Cabinet approved last year at this time was Council tax of £351,997.06 and Water and Sewerage charges of £113,163.27

6. Water and Sewerage charges are collected on behalf of Scottish Water but the Council retains none of the income. The proposed write-off of these charges is purely administrative.

7. In the period since 1<sup>st</sup> April 1996 over £924 Million of Council Tax and Water charges have been collected. The sum to be written-off represents around 0.5% of the sum collected in the current year and can be met from existing bad debt provision.

## **RECOMMENDATION**

8. It is recommended that the Cabinet notes the report and approves the write off £196,898.13, of Council tax arrears and £63,221.12 of Water and Sewerage charges without prejudice to subsequent recovery procedure.

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## **BACKGROUND PAPERS**

Evidence is provided by both the Council Tax system and reports from the Sherriff Officers

## **KEY WORDS**

Write-off and irrecoverable