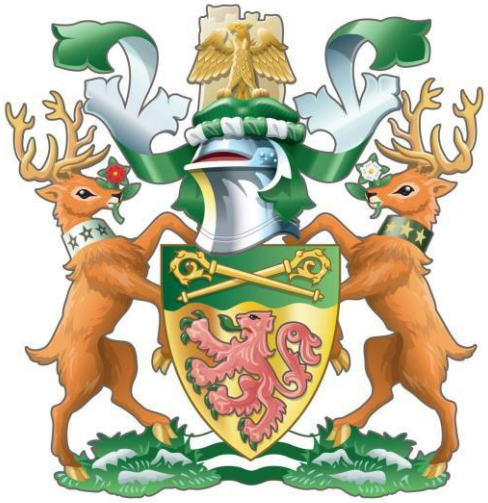


Ribble Valley
Borough Council

www.ribblevalley.gov.uk

CORPORATE DEBT WRITE OFF POLICY

POLICY ADMINISTRATION

POLICY OWNERSHIP

For any queries about this policy, please contact the plan owner.

Department	Resources		
Owner	Lawson Oddie	lawson.oddie@ribblevalley.gov.uk	01200 414541
Committee	Policy and Finance Committee		

This policy is maintained and published on behalf of Ribble Valley Borough Council. A copy of this policy will be published on the Council Intranet and will be reviewed and updated as stated below.

VERSION CONTROL AND REVIEW DATE

Version	Date	Reason for Publication	Approved by Committee / Date	Next Review Date
V1	27 September 2022	Annual Review	Policy and Finance Committee – 27 September 2022	September 2023
V2	28 March 2023	Review for Impact of Changes to Financial Regulations	Policy and Finance Committee – 28 March 2023	September 2024
V3	12 September 2023	Annual Review	Policy and Finance Committee – 12 September 2023	September 2024
V4	10 September 2024	Annual Review	Policy and Finance Committee – 10 September 2024	September 2025
V5	16 September 2025	Annual Review		September 2026

This policy will be reviewed, as a minimum, on an annual basis. However, consideration should be given to reviewing the policy should there be any changes in legislation or guidance. The policy/procedure owner will ensure the document is reviewed as stated.

EQUALITY IMPLICATIONS

	Action	Yes / No
An Equality Impact Assessment (EIA) has been completed		No – Not Required having completed EIA Checklist
EIA Hyperlink	Not Applicable	

SUPPORTING DOCUMENTS OR LEGISLATION RELATING TO THIS POLICY

Please include any supporting documents / legislation
1. Section 151 of the Local Government Act 1972
2. Financial Regulations
3. Corporate Debt Policy
4. Accounts and Audit Regulations 2015
5. Local Government Finance Act 1992
6. Insolvency Act 1986

1. Debt Recovery Aim

1.1. Ribble Valley Borough Council's policy is to recover 100% of recoverable debt in compliance with the law. However, while making all reasonable efforts to maximise the Council's recovery it is sometimes necessary to write off debt.

1.2. The council endeavours to ensure that the interests of the general taxpayer are maintained whilst recognising the needs and circumstances of individual debtors.

1.3. The council's corporate debt policy and financial regulations should also be considered alongside this corporate write off policy.

2. General Provisions

2.1. For the avoidance of doubt this policy document applies to all debts and income due to the Council.

2.2. As per the Accounts and Audit Regulations 2003 (as amended), debts should only be written off with approval of the responsible finance officer (Section 151), who at this Council is the Director of Resources and Deputy Chief Executive, or such members of their staff that are nominated by them for this purpose.

2.3. Where there is an ongoing liability for a charge due to the provision of a service or there is an ongoing liability for tax or rates, write off of any arrears would not be appropriate.

2.4. Liaison with services and good reporting mechanisms should be in place in order to ensure that any service provision is stopped where recovery of the debt is not possible and any arrears are being considered for write off. It must be noted that a service cannot be withdrawn where the council has a statutory responsibility to continue to provide it.

2.5. Following the write off of a debt, should any information become available that could lead to the recovery of the debt, then the debt can be resurrected and the write off reversed subject to part or all of the balance being paid.

2.6. Where an individual debtor owes the council in excess of £5,000, such debt may be written off only following approval of the Policy and Finance Committee.

2.7. Where an individual debtor owes the Council no more than £5,000, the Director of Resources may approve the write off of that debt **where there is satisfactory evidence that it is irrecoverable**.

2.8. The table shown below provides a summary of the action and authorisation required for the different levels of debt. The approval of any debt write offs must be documented prior to the actioning of the same on any systems or in any other records.

Category	Action	Authorisation Required
Debts under £15.00 deemed uneconomical to pursue	Monthly system (or manual) report to be prepared with reasons for the write off request, details of amounts proposed to be written off below £15.00 and passed to the Director of Resources.	Reports to be signed off by the Director of Resources

Category	Action	Authorisation Required
Debts over £15.00 but less than £5,000	Form at Annex 1 to be completed and passed to the Director of Resources with supporting documentation.	Form to be signed off by the Director of Resources
Debts over £5,000	A report to be prepared for Policy and Finance Committee providing details of the debtor and the debt to be written off, with reasons for the recommended action.	Policy and Finance Committee

3. Debt Write Off

3.1. The following outlines the general conditions and circumstances when a debt may be considered for write off. These are not specific to any particular type of debt and are designed to cover the vast majority of debt considered for write off. This list is not exhaustive and there may be instances where it is appropriate to write off debt for a reason other than those stated.

- **Uneconomical to recover:** The cost of recovery is likely to outweigh or equate to a significant proportion of the balance outstanding.
- **Untraceable debtor:** If a debtor cannot be found after making all efforts to trace them, the debt and any administration penalty will be temporarily written off. These debts will be written back on again if the debtor is retraced.
- **Uncollectable as recovery options exhausted:** on a few occasions all types of recovery have been attempted and there is no further action that can be taken
- **Bankruptcy/Insolvency:** If a debtor is declared bankrupt/insolvent and it is not possible to recover any monies from the debtor's assets.
- **Deceased:** If the debtor has died and there is either no estate or no available funds from the estate. A letter from a solicitor or personal representative (executor or administrator) may be required to confirm this.

  Where sums are due from a deceased's estate, action should be taken as quickly as possible to try and secure monies to clear any outstanding debts. Where there is an estate, the personal representative will need to be notified of the Council's claim as soon as possible.
- **Time limited debt:** If after the end of six years (simple contracts) or twelve years (rents/deeds) from the date the debt became due it has not been possible to commence or continue recovery in that period. Acknowledgement of the debt or part payment resets the limitation periods.
- **Unrecoverable debt:** Where a debt has been raised and subsequently the charge has been found to be due to 'official error'.

4. Policy Review

4.1. The write off of debt will be subject to regular audit in order to ensure that the policy and associated procedures have been applied properly and fairly.

4.2. The Director of Resources shall ensure that this policy is reviewed on an annual basis to ensure its effectiveness and also relevance in the case of any legislative changes.

5. Complaints and Appeals

5.1. Where a debtor wishes to complain about any decision made under the terms of this policy they may do so first in writing to the relevant Head of Service.

5.2. In the event that a debtor's complaint is not resolved by the relevant Head of Service the issue may be escalated to the Director of Resources, following which the debtor would be required to follow the council's Official Complaints Procedure.

ANNEX 1

Ribble Valley Borough Council
Request for Debt Write Off

Debtor Name	
Reference	
Debt Address	
Current Address (if known)	

Details of Debt	
Description	**Amount**

Reason for write off

Recovery Action Taken to Date ***Please attach copies of all relevant documentation***

Recommended by _____ Date _____

Reviewed by _____ Date _____

Director of Resources _____ Date _____