

EAST RENFREWSHIRE COUNCILCABINET27 March 2014Report by Director of FinanceWRITE-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 £584,568.11.

RECOMMENDATION

2. It is recommended that the Cabinet notes the report and approves the write off of Council Tax arrears up to the value of £438,426.08 and Water and Sewerage charges up to the value of £146,142.03 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.
- Recommended by Sheriff Officer.

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 & Sewerage</u>
		£	£
Deceased	44	9,307.75	3,102.58
Sequestrated	402	184,472.26	61,490.75
Recommended by Sheriff Officer	142	54,310.08	18,103.36
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	588	248,090.09	82,696.69

5. In addition to these accounts, 937 old Strathclyde Council accounts and early years East Renfrewshire Council accounts have been flagged for write off as a reconciliation has shown that some balances are incorrect because of processes which the council tax system has actioned over a number of years since 1998. It should be borne in mind that over the last twenty years some 700,000 council tax accounts have been administered. The amount required to be written off is £253,781.33 of which £190,336 is in respect of Council tax and £63,445.33 is in respect of water and sewerage charges.

6. The comparative write-off which the Cabinet approved last year at this time was Council tax of £400,722.62 and Water and Sewerage charges of £123989.46.

7. 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.

8. In the period since 1st April 1996 over £870 Million of Council Tax and Water charges have been collected. The sum to be written-off represents around 1% of the sum collected in the current year and can be met from existing bad debt provision.

RECOMMENDATION

9. It is recommended that the Cabinet notes the report and approves the write off of Council Tax arrears up to the value of £438,426.08 and Water and Sewerage charges up to the value of £146,142.03 without prejudice to subsequent recovery procedure.

Further information is available from D.Miller, Head of Revenue Services, telephone 0141 577 3203.

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BACKGROUND PAPERS

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

KEY WORDS

Write-off and irrecoverable