CABINET MEMBER DECISION

6 March 2023

KEY DECISION: YES

LCTS DEBT WRITE OFFS

1.	**Decision:**

1.1 To write-off of debts owed by those in receipt of Local Council Tax Support (LCTS) on the grounds that it is uneconomical to pursue the debt, or that pursuing the debt could cause financial hardship during the cost-of-living crisis.

2.	**Statement of Reasons:**

2.1 The council's approved Local Taxation Debt Recovery Policy sets out the circumstances in which council tax debts can be written off by the council. This includes where:

- It is uneconomical to purse the debt.
- There is financial hardship.

2.2 Each financial year the council's debt provision is reviewed, and 100% debt provision is allowed for all outstanding balances older than one financial year.

2.3 The council's previous Local Council Tax Support (LCTS) scheme was introduced in 2013 and required working-age claimants, regardless of their income, to contribute at least 20% towards their council tax liability. Many working-age claimants on lower incomes have struggled to pay their council tax bills and as a result, have built up several years' debt.

2.4 The council's new Local Council Tax Support (LCTS) scheme, approved by Full Council on the 28 February 2023, is more generous and allows for up to 100% support for those residents in the lowest income band. As a result, the new scheme will prevent many residents from incurring council tax debt into the future.

2.5 Approval is sought to write-off debts owed by those in receipt of LCTS (across all bands) up to and including 31 March 2019 to the maximum value of £244,576.66 (of which £29,349.20 is LDC's share) in accordance with the financial regulations and provisions included in the Local Taxation Debt Recovery Policy. The council will aim to write off the debts by 31 March 2023.

3.	**Any Alternative Options:**

3.1 The council continues to pursue the outstanding LCTS debts.

3.2 The council writes-off a different profile of outstanding LCTS debt years.

Cabinet Member for Finance and Commissioning