

## Report of the Head of Finance

**IRRECOVERABLE COUNCIL TAX, HOUSING BENEFIT OVERPAYMENTS, NON-DOMESTIC RATES AND SUNDRY DEBTS****1 Purpose of Report**

To request approval for the write off of irrecoverable debts.

**2 Executive Summary**

The Borough Council has the power to write-off irrecoverable non-domestic rates, council Tax, sundry debts and housing benefit overpayments at the discretion of the Committee.

**3 Appendices**

Further detail of debt for write off.

<b>APPENDIX</b>	<b>TYPE OF DEBT</b>	<b>AMOUNT</b>
A	Non-domestic rate cases	£5,994.89
B	Council tax cases	£35,447.60
C	Housing benefit overpayment cases	£7,589.25
D	Summary of enforcement in 2015/2016	

**4 Proposed Action:**

**4.1 The Committee is invited to RESOLVE the write-off of £49,031.74 irrecoverable non-domestic rates.**

**4.2 The Committee is invited to RESOLVE to note that an amount of £74,183.02 has been written off under the delegated powers of the Section 151 Officer.**

**5 Background**

5.1 There are periodical reviews of outstanding debts for non-domestic rates, council tax, sundry debts and housing benefit overpayments and sums deemed to be uncollectible are recommended for write-off.

5.2 At the meeting of the Resources Committee on 23<sup>rd</sup> March 2016, members asked for a summary of recovery action undertaken on council tax and non-domestic rates in the financial year. Details are in appendix D.

## 6 Discussion

- 6.1 The Section 151 Officer has reviewed the amounts stated and written off those she can under delegated powers in accordance with financial regulations. Sums of £2,000 or over have to be passed to this committee for consideration.
- 6.2 All appropriate action has been taken. Debts have been thoroughly pursued via legal action in the Magistrates' or County Court; visits have been carried out by Council officers and specialist tracing/collection agencies. In all cases the debts were deemed to be irrecoverable.
- 6.3 In the circumstances where any debts have been written off against the provision for bad debts and the whereabouts of the individual are subsequently discovered, action may still be taken to recover the debt. Should successful recovery be achieved, this would be written back against the provision in accordance with best practice.
- 6.4 A total of £74,183.02 irrecoverable non-domestic rates, council tax, sundry debts and housing benefit overpayments have been written off under delegated powers as follows:

TYPE OF DEBT	NUMBER OF ACCOUNTS	AMOUNT
Council tax	164	£65,705.72
Housing benefit overpayments	28	£6,854.46
Non-domestic rates	1	£1,622.84

## 7 Legal Powers

- 7.1 Section 151 of the Local Government Act 1972 requires that local authorities make arrangements for the proper administration of their financial affairs. Part of these arrangements includes arrangements for the writing-off of debts.
- 7.2 Section 101 of the Local Government Act 1972 permits the Council to delegate certain powers, duties and functions to Committees. All debts of under £2,000 can be written off at the discretion of the Section 151 Officer. The power to write-off debts of £2,000 and over is delegated to this Committee.

## 8 Financial and Value for Money Implications

There are no direct revenue implications as adequate provision has been made within the accounts for bad debts.

## 9 Risk Analysis

Nature of risk	Consequences if realised	Likelihood of occurrence	Control measures
None			

**10 Implications for Resources**

None

**11 Implications for Stronger and Safer Communities**

None

**12 Implications for Equalities**

None

**13 Author and Contact Officer**

Richard Watson, Business Rates Manager

**14 Consultees**

Nigel Robinson, Principal Revenue and Benefits Manager

**15 Background Papers**

List of cases written off under delegated powers

## Appendices

### Appendix A

Non-domestic rate cases with a balance outstanding of over £2,000 where the sum is deemed to be irrecoverable

Account	Name	Amount	Date	Reason
600907163	Mr C	£5,994.89	2015/16	Individual voluntary arrangement
	<b>TOTAL</b>	<b>£5,994.89</b>		

### Appendix B

Council tax cases with a balance outstanding of over £2,000 where the sum is deemed to be irrecoverable

Account	Name	Amount	Date	Reason
800702559	Mrs W	£4,344.58	2013/15	Debt relief order
800066481	Mrs F	£5,789.34	2010/15	Bankruptcy
800905071	Mrs B	£3,142.54	2012/16	Individual voluntary arrangement
800928878	Mrs E	£2,853.26	2015/16	Debt relief order
800989993	Mr C	£2,303.80	2014/16	Individual voluntary arrangement
801068282	Mrs T	£2,403.65	2014/16	Debt relief order
801075953	Mr W	£3,842.51	2012/15	Individual voluntary arrangement
80091963X	Mr C	£2,311.52	2015/16	Debt relief order
800816810	Exors of Mrs S	£6,011.51	2013/16	Deceased and estate has no funds
800592949	Exors of Mr	£2,444.89	2013/14	Deceased and estate has no funds
	<b>TOTAL</b>	<b>£35,447.60</b>		

## Appendix C

Housing benefit overpayment cases with a balance outstanding of over £2,000 where the sum is deemed to be irrecoverable

Account	Name	Amount	Date	Reason
5338793	Mr H	£2,193.94	26.07.2012	Forwarding address not known
5413948	Ms N	£5,395.31	04.02.2016	Bankruptcy
	<b>TOTAL</b>	<b>£7,589.25</b>		

## Appendix D

Summary of recovery action taken against council tax and non-domestic ratepayers in the financial year 2015/2016 (figures correct as at 31.03.2016).

### Council Tax Summary

Live accounts	34,450
Reminder notices issued	12,048
Final notices issued	5,746
Summonses issued	2,420
Liability orders granted	2,136
Passed to enforcement agents	599
Cases on attachment to benefit	729
Cases on attachment to earnings	250
Committal action commenced	17
Suspended sentences	13
Sentences imposed	1

### Non-domestic Rates Summary

Live accounts	2,637
Reminder notices issued	766

Final notices issued	400
Summonses issued	122
Liability orders granted	89
Passed to enforcement agents	66
Committal action commenced	0
Suspended sentences	0
Sentences imposed	0