

**Report of the Section 151 Officer****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**

This report shows the amount of debt written off under delegation by the council's section 151 officer who has authority to write off debts up to £2,000.

Debts above this level can be written off by resources committee under the delegated powers from council. This report also asks for the committee to consider the write off of those debts over £2,000 that are now considered irrecoverable shown in Appendices A, B and C

The total amount for each of these is shown below:

Non-domestic rate cases	£11,375.83
Council tax cases	£2,598.28
Housing benefit overpayment cases	£9,989.12

**3 Appendices**

Appendix A	Non-domestic rate cases
Appendix B	Council tax cases
Appendix C	Housing benefit overpayment cases

**4 Proposed Action:**

**4.1 The committee is invited to RESOLVE to write-off £23,963.23 irrecoverable council tax, non-domestic rate and housing benefit overpayment balances.**

**4.2 The committee is also invited to RESOLVE to note that an amount of £33,217.38 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 uncollectable following review are recommended for write-off.

- 5.2 A provision for bad debt is created to deal with these write offs and this is built into the expected collection rate and estimates of total income for the year. The amount of debt written off is the total amount due to all parties, this council, the county council, the police and central government. Thus the total amount for the borough council is only our share of that debt, for example on council tax this is approx. 10% and non-domestic rates this is approx. 40%, and not the total amount of money that is written off.
- 5.3 The in year revenue collection rates for 2017/18 were: Council Tax 98.1% and Business Rates 99.7% respectively. The amounts written off in 2017/18 as a percentage of the net debit for the year were: Council Tax: 0.4% and Business Rates 0.1%. These rates indicate that the council is an above average performer with regard to collection and that the amounts proposed for write off are very small as compared to the revenue collected each year.
- 5.4 As requested by members at the last meeting of this committee, a training session on the recovery cycle and actions taken to collect council tax and business rates debt will be held on the evening of 3 December 2018, commencing at 7pm. There will also be a presentation from Job Centre Plus on the local roll out of Universal Credit during this training session.

## 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 to try and recover the monies due. Debts have been thoroughly pursued including using legal action in the magistrates' or county court. Where appropriate, 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 will still be taken to recover the debt. Should successful recovery be achieved, this would be written back against the provision in accordance with best accountancy practice.
- 6.4 Following the most recent review of outstanding debts a total amount of £33,217.38 has been deemed as irrecoverable and written off under delegated powers as follows:

TYPE OF DEBT	NUMBER OF ACCOUNTS	AMOUNT
Council tax	23	£6,229.09
Housing benefit overpayments	30	£18,338.67
Non-domestic rates	1	£314.41
Sundry debts	14	£8,335.21

6.7 A further £23,963.23 is recommended for write off as detailed in appendices A, B and C.

## **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**

<b>Nature of risk</b>	<b>Consequences if realised</b>	<b>Likelihood of occurrence</b>	<b>Control measures</b>
Assumptions regarding collections are unrealistic	Over estimating of monies due to the authority could lead to inaccuracies in budget setting	Possible	Robust monitoring of balances outstanding

## **10 Implications for Resources**

There will be implications on resources should amounts due to the authority not be robustly monitored.

## **11 Implications for Stronger and Safer Communities**

Regularly monitoring balances due to the authority will mean budgeting for communities will be more accurate and forecasting more precise.

## **12 Implications for Equalities**

An equality impact assessment (EqIA) has been completed for all aspects of Revenue and Benefit Services. There are no anticipated negative effects on any groups with protected characteristics.

## **13 Author and Contact Officer**

Richard Watson, Senior Revenue Officer

## **14 Consultees**

Liz Elliott, Managing Director

Julie Thomas, Director of Place and Strategic Growth  
Nigel Robinson, Principal Revenue and Benefits Manager

## **15 Background Papers**

List of cases written off under delegated powers

## Appendix A

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

Name	Amount	Dates	Reason
Itchy Feet Recreational Vehicles Ltd	£9,281.95	2015/16	Company dissolved
Iawa Classics and 4 X 4 Ltd	£2,093.88	2017/18	Company dissolved
<b>TOTAL</b>	<b>£11,375.83</b>		

## Appendix B

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

Name	Amount	Dates	Reason
Mr S	£2,598.28	2010/12	Forwarding address not known
<b>TOTAL</b>	<b>£2,598.28</b>		

## Appendix C

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

Name	Amount	Dates	Reason
Mr P	£2,362.80	2015/16	Forwarding address not known
Mrs H	£3,877.49	2011/12	Forwarding address not known
Mrs B	£3,748.83	2011/12	Forwarding address not known
<b>TOTAL</b>	<b>£9,989.12</b>		

