

Lead Member for Finance and Support Services Briefing

The council is now holding virtual meetings. This plays a part in helping us to maintain the safety of the public, staff and councillors.

The City Mayor has asked that, as far as possible, there is still public involvement and input into the decision-making process.

Therefore, should you wish to raise a question or comment on any of the items listed, which will be presented at the meeting on your behalf, you can do so in writing, by sending an email to the address at the bottom of this agenda.

Please do this by 4.30pm on the day before the meeting is due to take place.

Further information on the coronavirus and what it means for Salford can be found on the council website - <https://www.salford.gov.uk/coronavirus>

DATE: Thursday, 26 November 2020

TIME: 10.15 am

VENUE: Please find link to MS Teams live audio broadcast below:

AGENDA

THE LIVE AUDIO BROADCAST CAN BE ACCESSED VIA THE LINK BELOW:

This link will work if you are using a Microsoft device. If you are using an Apple or android based device, you will need to download the Microsoft Teams app in order to view the meeting via this link.

https://teams.microsoft.com/join/19%3ameeting_M2Q4ZWM1YzktOWRhNC00OTJjLWJjMTktYzY2MzBiNGM2M2Nh%40thread.v2/0?context=%7b%22Tid%22%3a%2268c00060-d80e-40a5-b83f-3b8a5bc570b5%22%2c%22Oid%22%3a%229d684c1d-4eb2-40d0-a319-8a0562477992%22%2c%22IsBroadcastMeeting%22%3a%22true%22%7d

1 **Apologies for absence.**

2 **Declarations of interest.**

3 **Items for Decision (Part 1 - Open to the Public):**

3a Write Off of Irrecoverable Debt - Council Tax and Housing Benefit Overpayments. (Pages 1 - 6)

3b Write Off of Irrecoverable Debt - Business Rates.

(Pages 7 - 10)

4 **Exclusion of the Public.**

5 **Items for Decision (Part 2 - Closed to the Public): No Items.**

Contact Officer: Claire Edwards

Tel No: 0161 793 2602

E-Mail: decisionmakingandscrutiny@salford.gov.uk

Part 1 - Open to the Public	
-----------------------------	--

REPORT OF THE STRATEGIC DIRECTOR FOR SERVICE REFORM

TO THE LEAD MEMBER FOR FINANCE & SUPPORT SERVICES
ON
26 November 2020

TITLE: Write Off of Irrecoverable Debt – Council Tax and Housing Benefit Overpayments

RECOMMENDATIONS:

1. The Lead Member is requested to approve the write -off of the irrecoverable debts mentioned in the report
-

EXECUTIVE SUMMARY:

The report provides details of the proposals for the write- off of irrecoverable debts of the following amounts: -

Council Tax £ 397,711.87

Housing Benefit Overpayments £ 98,402.72

BACKGROUND DOCUMENTS:

Write off strategies for each fund

KEY DECISION: The write - off of irrecoverable debts is provided for in the forward plan

DETAILS: See report attached

KEY COUNCIL POLICIES: Performance Management

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS: n/a

ASSESSMENT OF RISK:

The write - off of irrecoverable debts is an essential part of the administration of Council Tax, Business Rates and Housing Benefit overpayment accounts.

LEGAL IMPLICATIONS Supplied by: n/a

FINANCIAL IMPLICATIONS Supplied by: The finance team have confirmed the bad debt provisions

PROCUREMENT IMPLICATIONS Supplied by: n/a

HR IMPLICATIONS Supplied by: n/a

OTHER DIRECTORATES CONSULTED: n/a

CONTACT OFFICER: Penny Higgins – Service Manager – Council Tax

WARDS TO WHICH REPORT RELATES:

The write-off of irrecoverable debts may relate to properties in any ward.

Council Tax Write-off Arrangements

1. Background

1.1 The Council Tax Team continues to make progress regarding the collection of outstanding debts. There are however, debts that are uncollectible because of a variety of reasons and these debts need to be written off to maintain the efficient maintenance off the accounts.

2. Write-off and Write-on action required

2.1 Members have previously approved the current write off strategy which sets out the circumstances where the debt is likely to be deemed irrecoverable. Such circumstances include categories like: Absconders, Bankruptcy and Debt Relief Orders (DRO).

Table 1 shows a summary of the proposed cases for write-off under the appropriate categories for the period from 01 June 2020 to 31 October 2020

Council Tax write off categories	Write offs		Write ons		Net write off amount
	Number of accounts	Write off value	Number of accounts	Write on value	
Absconded	590	-£ 204,024.60	11	£4,997.78	-£ 199,026.82
Deceased	808	-£ 54,074.05	5	£600.16	-£ 53,473.89
Bankruptcy/Debt Relief Order	351	-£ 164,520.62	71	£52,456.98	-£ 112,063.64
Statute Barred	20	-£ 6,298.23	0	£0.00	-£ 6,298.23
Uneconomical	379	-£ 30,788.81	30	£3,939.52	-£ 26,849.29
Total	2148	-£ 459,706.31	117	£61,994.44	-£ 397,711.87

2.2. Details of each individual account to be written off can also be supplied if required.

2.3 The write-off of these debts has been provided for in terms of bad debt provision.

3. Recommendation

The Lead Member is requested to approve the write-off of irrecoverable Council Tax debts of £397,711.87

Housing Benefit Overpayment Write-off Arrangements

1. Background

1.2 The team continues to make progress regarding the collection of outstanding debts. There are however, debts that are uncollectible because of a variety of reasons and these debts need to be written off to maintain the efficient maintenance off the accounts.

2. Write-off and Write-on action required

2.1 Members have previously approved the current write off strategy which sets out the circumstances where the debt is likely to be deemed irrecoverable. Such circumstances include categories like: Absconders, Bankruptcy and Debt Relief Orders (DRO).

Table 1 shows a summary of the proposed amounts for write-off under the appropriate categories for the period from 01 June 2020 to 31 October 2020.

Housing Benefit Overpayments Write Off Reason	Total value of overpayments written off between 01 June 2020 and 31 Oct 2020	Total Number of overpayments written off between 01 June 2020 and 31 Oct 2020
Appeals Team	£9,637.20	22
Bankrupt	£16,022.13	10
Debt Relief Order	£8,362.47	5
Deceased	£38,171.21	26
Discretionary	£0.00	0
Absconded, forwarding address unknown	£0.00	0
LA Error (Irrecoverable)	£0.00	0
Other	£0.00	0
Recovery procedures exhausted, not suitable for legal	£22,630.32	68
Uneconomic	£3,323.15	30
Uneconomic, under £40	£256.24	18
Total	£98,402.72	179

2.2. Details of each individual overpayment to be written off can also be supplied if required.

2.3 The write-off of these debts has been provided for in terms of bad debt provision.

3. Recommendation

The Lead Member is requested to approve the write-off of irrecoverable Housing Benefit Overpayment debts of £98,402.72

This page is intentionally left blank

Part 1: Open to the Public

REPORT OF STRATEGIC DIRECTOR OF SERVICE REFORM

TO THE LEAD MEMBER FOR FINANCE AND SUPPORT SERVICES

ON

26 November 2020

TITLE: Write Off of Irrecoverable Debt –Business Rates

RECOMMENDATIONS: The lead Member for Finance & Support Services is requested to approve the write -off of the irrecoverable debts for Business Rates to the value of **£506,569.14**

EXECUTIVE SUMMARY:

The Business Rates Team continues to make progress with the collection of outstanding debts achieving in year 2019/2020 collection of 98.22% .There are however, debts that are uncollectible because of a variety of reasons and these debts need to be written off to maintain the efficient maintenance of the accounts. The Council has budget provision to cover the cost of debt written off

BACKGROUND DOCUMENTS:

Write off strategies for each fund

Case files have been prepared for high value debts where current recovery methods have been unsuccessful.

KEY DECISION: YES

The write - off of irrecoverable debts is provided for in the forward plan

DETAILS:

Members have previously approved the current write-off strategy which sets out the circumstances where the debt is likely to be deemed irrecoverable. Such circumstances include categories like: **Absconders, Ceased to trade, Bankruptcy and Liquidation.**

Details of each individual account to be written off and written on can also be supplied if required.

All cases referred to in this report are now terminated and therefore do not have ongoing Business Rates liability, with the exception of one case. A retrospective change to an account has generated debt in years 2011 and 2012 which we are unable to recover under statute barred. Full case reviews have been completed for high value cases being put forward for Write Off and where appropriate legal advice sought on recoverability and enforcement options open to seek payment in full.

Table 1 shows a summary of the proposed cases for write-off under the appropriate categories.

Table 1		
Category	Number	Amount
Absconded	0	£ 0.00
Insolvency	41	£ 479,885.63
Uneconomical/Irrecoverable	10	£ 42,942.39
Total	51	£ 522,828.02

Table 2 shows a summary of write-on accounts by reason

Table 2		
Category	Number	Total All Years
Absconded	2	£ 145.07
Insolvency	13	£ 16,113.81
Uneconomical/Irrecoverable	0	£ 0.00
Total	15	£ 16,258.88

Recommendation:

The total running value of write-offs, during 2019/2020 is falling. This reflects an improvement in account management during the financial year, with higher value write-offs being requested earlier in the year when accounts are reviewed i.e. not allowing larger debts to accrue.

The Lead Member is requested to approve the write-off of irrecoverable business rates liabilities totalling £506,569.14

The write-off of these debts has been provided for in terms of the bad debt provision.

KEY COUNCIL POLICIES: Performance Management

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS: NA

ASSESSMENT OF RISK: The write - off of irrecoverable debts is an essential part of The administration of Business Rates accounts.

LEGAL IMPLICATIONS Supplied by: NA

FINANCIAL IMPLICATIONS Supplied by: The finance team have confirmed the bad debt provisions

PROCUREMENT IMPLICATIONS Supplied by: NA

HR IMPLICATIONS Supplied by: NA

CLIMATE CHANGE IMPLICATIONS Supplied by: NA

OTHER DIRECTORATES CONSULTED: NA

CONTACT OFFICER: **TEL NO:**
Jane Betts Service Manager Business Rates

0161 793 2710

WARDS TO WHICH REPORT RELATES:

The write-off of irrecoverable debts may relate to properties in any ward.