

Lead Member for Finance and Support Services Briefing

Dear Member,

You are invited to attend the meeting of the Lead Member for Finance and Support Services Briefing to be held as follows for the transaction of the business indicated.

Tom Stannard
Chief Executive

DATE: Thursday, 24 November 2022

TIME: 2.00 pm

VENUE: Salford Suite, Salford Civic Centre, Chorley Road, Swinton

In accordance with 'The Openness of Local Government Bodies Regulations 2014,' the press and public have the right to film, video, photograph or record this meeting.

AGENDA

FACE TO FACE PUBLIC MEETINGS AT THE SALFORD SUITE - (Pages 1 - 2)
ADVICE FOR MEMBERS OF THE PUBLIC (UPDATED 03.10.22)

- 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 3 - 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

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Face to face public meetings at Salford Civic Centre

Face to face public meetings are being held in Old Town Hall Building at the Civic Centre and currently most meetings are being held in The Salford Suite, the Council Chamber and it is hoped in the next couple of months that the committee rooms will also be available for public meetings. The venue for each meeting is shown on the agenda for each meeting and these are published on the city council website [here](#).

1. Important information for attending public meetings in the Salford Suite

a. Where to enter the building

You must enter at the main Reception and report to the Reception Desk. You will be directed to the correct meeting room and given access to the building by the member of staff on duty.



For evening meetings, if the Reception is closed, please press the out of hours buzzer to gain access. This can be found on the metal panel on the stand next to the Reception doors.

b. Accessible access to the Council Chamber

The public gallery for the Council Chamber is accessed by a staircase. If this is not suitable for you there are spaces in the council chamber available for the public who cannot access the gallery. To access these spaces, please email decisionmakingandscrutiny@salford.gov.uk a few days in advance of the meeting (if possible) and the clerk for the meeting will arrange this for you.

2. What to do if you have symptoms of a respiratory infection, including COVID-19, and have not taken a COVID-19 test.

The advice on the [gov.uk website](https://www.gov.uk) says:

- Try to stay at home and avoid contact with other people if you have symptoms of a respiratory infection, such as COVID-19, and you have a high temperature or do not feel well, try to stay at home and avoid contact with other people, until you no longer have a high temperature (if you had one) or until you no longer feel unwell.
- If you leave your home while you have symptoms of a respiratory infection, and you have a high temperature or feel unwell, the following actions will reduce the chance of passing on your infection to others:
 - wearing a well-fitting face covering made with multiple layers or a surgical face mask
 - avoiding crowded places such as public transport, large social gatherings, or anywhere that is enclosed or poorly ventilated
 - covering your mouth and nose when you cough or sneeze; wash your hands frequently with soap and water for 20 seconds or use hand sanitiser after coughing, sneezing and blowing your nose and before you eat or handle food and avoid touching your face.

3. What to do if you have a positive COVID-19 test result

The advice on the [gov.uk website](https://www.gov.uk) says:

- Try to stay at home and avoid contact with other people if you have a positive COVID-19 test result, it is very likely that you have COVID-19 even if you do not have any symptoms. You can pass on the infection to others, even if you have no symptoms.
- Many people with COVID-19 will no longer be infectious to others after 5 days. If you have a positive COVID-19 test result, try to stay at home and avoid contact with other people for 5 days after the day you took your test. At the end of this period, if you have a high temperature or feel unwell, try to follow this advice until you feel well enough to resume normal activities and you no longer have a high temperature if you had one.
- Although many people will no longer be infectious to others after 5 days, some people may be infectious to other people for up to 10 days from the start of their infection. You should avoid meeting people at higher risk of becoming seriously unwell from COVID-19, especially those whose immune system means that they are at higher risk of serious illness from COVID-19, despite vaccination, for 10 days after the day you took your test.
- If you leave your home during the 5 days after your positive test result the following steps will reduce the chance of passing on COVID-19 to others:
 - wear a well-fitting face covering made with multiple layers or a surgical face mask.
 - avoid crowded places such as public transport, large social gatherings, or anywhere that is enclosed or poorly ventilated.
 - cover your mouth and nose when you cough or sneeze; wash your hands frequently with soap and water for 20 seconds or use hand sanitiser after coughing, sneezing and blowing your nose and before you eat or handle food; avoid touching your face.

REPORT OF THE STRATEGIC DIRECTOR FOR SERVICE REFORM

TO LEAD MEMBER FOR FINANCE & SUPPORT SERVICES
ON
24 November 2022

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.
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EXECUTIVE SUMMARY:

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

Council Tax £ 732,561.51
Housing Benefit Overpayments £ 123,453.86

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 reports 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 Mitchell – 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 2022 to 10 November 2022

Council Tax write off categories	Number of accounts	Write off value	Number of accounts	Write on value	Net no. of accounts	Net write off amount
Absconded	197	-£194,616.04	10	£5,226.87	207	- £189,389.17
Deceased	58	-£62,464.75	8	£1,078.20	66	-£61,386.55
Bankruptcy/Debt Relief Order	167	-£248,829.97	55	£32,931.13	222	- £215,898.84
Statute Barred	2	-£5,384.90	0	£0.00	2	-£5,384.90
Uneconomical	3457	-£512,650.60	1289	£252,148.55	4,746	- £260,502.05
Total	3881	- £1,023,946.26	1362	£291,384.75	5,243	- £732,561.51

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 net write-off of irrecoverable Council Tax debts of £732,561.51

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 2022 to 31 October 2022.

Housing Benefit Overpayments Write Off Reason	Total value of overpayments written off	Total Number of overpayments written off
Appeals Team	£36,579.35	13
Bankrupt	£10,424.25	8
Debt Relief Order	£14,116.53	6
Deceased	£59,166.53	17
Discretionary	£729.93	1
Absconded, forwarding address unknown	£0.00	0
LA Error (Irrecoverable)	£1,720.03	2
Other	£0.00	0
Recovery procedures exhausted, not suitable for legal	£0.00	0
Uneconomic	£676.87	12
Uneconomic, under £40	£40.37	2
Total	£123,453.86	61

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 £123,453.86

REPORT OF THE STRATEGIC DIRECTOR OF SERVICE REFORM

TO THE LEAD MEMBER BRIEFING FOR FINANCE AND SUPPORT SERVICES ON **24th November 2022**

TITLE: Write Off of Irrecoverable Debt – Business Rates

RECOMMENDATIONS: The Lead Member for Finance and Support Services

- Approves the write-off of the irrecoverable debts for Business Rates to the value of **£752,564.10**
 - Notes the write-on value of **£5,333.94**
-

EXECUTIVE SUMMARY:

All councils have a legal duty to ensure cost-effective billing, recovery, and collection of all payments due to the council. Salford's business rates team always attempt to recover the full balance of outstanding business rates charges; however, there are occasions when they are either unable to legally pursue a debt or where it is considered uneconomical to continue pursuit of a debt.

These debts need to be written off as part of account maintenance.

The Council has budget provision to cover the cost of debt written off.

We have recently carried out a review of our Write Off Policy and explored opportunities to improve working practices and the administration of write offs.

The new working practices are more proactive in dealing with small outstanding balances, credit balances and credits generated after Write 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.

Details of each individual account to be written off and written on can be supplied

KEY DECISION: YES

The Write - Off 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.

These include Absconders, Ceased to trade, Bankruptcy and Liquidation.

All cases referred to in this report are now terminated and therefore do not have ongoing Business Rates liability. 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		
Business Rates write off Categories	Number of accounts	Write Off Value
Absconded	3	£ 35,999.17
Insolvency	66	£ 709,273.13
Uneconomical/Irrecoverable	18	£ 7,291.80
Total	87	£ 752,564.10

In line with the new working practices the Business Rates Team are now more proactive in dealing with closed accounts where there is a credit balance. These practices are in line with those adopted by other local authorities, in that, if a credit remains on an account 3 months after the account is ended and it is not possible to refund due to lack of information, the credit will be written on. This is the case for the 47 accounts reported within the table below. The remaining case load are accounts in credit due to a transactional change and the companies have been dissolved therefore we are unable to refund.

Table 2 shows a summary of cases where the credit will be written on under the appropriate category.

Table 2		
Business Rates Write on Categories	Number of accounts	Write On Value
Absconded	0	0
Insolvency	3	£5,073.98
Uneconomical/small credit balances	47	£ 259.96
Total	50	£5,333.94

Table 3 shows a summary of previously written-off debts where we have now either received payments or administered a transactional change reducing the original write-off value. Although it is not necessary under Salford's constitution to resubmit the revised write-off balance to the Lead Member, we will include these cases in future reports for information.

Table 3				
Category	Number	Previous Write off	Payment/ Adjustment	Revised Write off
Absconded	0	£0.00	£0.00	£0.00
Insolvency	7	£66,506.63	£39,250.26	£27,256.37
Uneconomical/Irrecoverable	0	£0.00	£0.00	£0.00
Total	7	£66,506.63	£39,250.26	£27,256.37

Recommendation:

Members are requested to approve the write-off of irrecoverable business rates liabilities totalling **£752,564.10** and note the write-on value of **£5,333.94**

The total write-off value, as a percentage of the Net Collectible Debt for financial year 2022/2023 equates to 0.81%

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

The caseload detailed in this report have been reviewed under our revised Write off/on working practices. This will see an improvement in our account management going forward, being more proactive dealing with closed accounts where there is a credit balance and actively pursuing outstanding small balances. Higher value write-offs being requested earlier in the year and not allowing larger debts to accrue.

Providing details on previous approved Write Offs where the value has been reduced following receipt of a payment or a transactional change reducing the liability.

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

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WARDS TO WHICH REPORT RELATES:

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