
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
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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 £ 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