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**REPORT OF THE STRATEGIC DIRECTOR FOR SERVICE REFORM**

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

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

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**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

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**BACKGROUND DOCUMENTS:**

Write off strategies for each fund

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

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**DETAILS:** See reports attached

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**KEY COUNCIL POLICIES:** Performance Management

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**EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:** n/a

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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.

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LEGAL IMPLICATIONS Supplied by: n/a

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

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PROCUREMENT IMPLICATIONS Supplied by: n/a

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HR IMPLICATIONS Supplied by: n/a

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OTHER DIRECTORATES CONSULTED: n/a

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CONTACT OFFICER: Penny Mitchell – Service Manager – Council Tax

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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
<b>Total</b>	<b>3881</b>	<b>- £1,023,946.26</b>	<b>1362</b>	<b>£291,384.75</b>	<b>5,243</b>	<b>- £732,561.51</b>

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
<b>Total</b>	<b>£123,453.86</b>	<b>61</b>

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