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

**TO THE LEAD MEMBER FOR FINANCE & SUPPORT SERVICES
ON
28 March 2023**

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 £ 172,316.01
Housing Benefit Overpayments £ 68,098.40

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: Ashley Marks, Principal Lawyer: I have looked at the write off report for the year ending 31 March 2023 and can confirm that the specific write off categories are all clear and cover the most common scenarios where the legal advice from my team would be that the debt be written off as non-recoverable.

FINANCIAL IMPLICATIONS Supplied by: David Eden, Finance Manager: There are sufficient provisions available to cover the cost of the proposed write offs.

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 1 January 2023 to 28 February 2023.

Council Tax write off for period 01 Jan 2023 to 28 Feb 2023					
Council Tax write off categories	Number of accounts	Write off value	Number of accounts	Write on value	Nett write off amount
Absconded	156	-£91,067.10	14	£9,947.98	-£81,119.12
Deceased	27	-£4,134.84	3	£2,211.55	-£1,923.29
Bankruptcy/Debt Relief Order	190	-£94,866.31	143	£27,040.90	-£67,825.41
Statute Barred	11	-£3,517.02	3	£686.04	-£2,830.98
Uneconomical	188	-£25,672.34	72	£7,055.13	-£18,617.21
Total	572	-£219,257.61	235	£46,941.60	-£172,316.01

The value of these write offs is 0.11% of the Council Tax collectable debit for 2022/2023.

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

THAT the net write-off of irrecoverable Council Tax debts of £172,316.01 be approved.

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 January 2023 to 28 February 2023.

Housing Benefit Overpayments Write Off Reason	Total value of overpayments written off between 1st January 2023 and 28th February 2023	Total Number of overpayments written off between 1st January 2023 to 28th February 2023
Appeals Team	£9,874.90	3
Bankrupt	£12,673.64	5
Debt Relief Order	£587.25	1
Deceased	£36,001.46	15
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	£8,076.78	6
Uneconomic	£884.37	11
Uneconomic, under £40	£0.00	0
Total	£68,098.40	41

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

THAT the write-off of irrecoverable Housing Benefit Overpayment debts of £68,098.40 be approved.