

Committee:	Cabinet	Date:	
Title:	Officer Write Offs		Monday, 15 July 2019
Portfolio Holder:	Portfolio Holder for Finance and Budget Cllr Neil Hargreaves		
Report Author:	Angela Knight, Assistant Director - Resources aknight@uttlesford.gov.uk	Key decision:	No

Summary

1. This report details Officers decisions under delegated powers to authorise write offs in line with the constitution and the Financial Regulations.
2. The write offs relate to Business Rates, Council Tax, Housing Benefit, Housing Rents and Sundry Debtors.
3. The total value of monies owed which have been written off by officers for the financial year 2018/19 is £241,469 of this £157,379 has a direct financial impact on the Council.
4. All of the amounts written off have been through the council's recovery process and proved to be either unrecoverable or uneconomical to pursue any further.

Recommendations

5. The Cabinet is recommended to note the contents of this report.

Financial Implications

6. Any financial implications are included in the body of the report.

Background Papers

7. None

Impact

Communication/Consultation	Budget holders and CMT have been consulted.
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
None Ward-specific impacts	None
Workforce/Workplace	None

Background Information

8. The total sum of write offs actioned in 2018/19 was £241,469 (compared to £254,884 in 2017/18) and relates to historical debt as well as current. The table below shows the breakdown of these amounts by service area.

	Write Off Amounts		UDC share	
	2017/18	2018/19		
Council Tax	£107,110	£70,626	9%	£6,356
Business Rates	£60,672	£33,033	40%	£13,213
Benefits	£41,885	£80,504	100%	£80,504
Housing Rent	£42,082	£56,153	100%	£56,153
Sundry Debtors	£3,135	£1,152	100%	£1,152
	£254,884	£241,469		£157,379

9. For Council Tax and Business Rates we only bear the financial impact of our share, which is based on the same percentages as income collected. The total value of the write offs are adjusted at the financial year end and applied to the main preceptors final account balances (with the exception of Parishes for Council Tax as the amounts are immaterial).
10. The main reasons for writing off debts are;
- Bankruptcy (personal and businesses)
 - Company in administration/liquidation
 - Independent voluntary Agreements (IVA's)
 - Unable to trace debtor or deceased
 - Uneconomical to continue to try and recover
11. The council has the highest collection rate for council tax in Essex at 99.14% and ranks 7th highest in the England. For business rates the council is 7th in Essex with a collection rate of 98.80%
12. It should be noted that although these amounts have been written off, if information becomes available on the debtor/s showing a change in circumstances we would reinstate the debt and pursue the amounts owed using the appropriate recovery process.
13. A report was approved by Cabinet on 30th November 2017 giving delegated authority to the Chief Finance Officer (S151 Officer) to write off individual debts up to a value of £10,000. Any individual amounts above this would be subject to Cabinet approval.
14. The Council is committed to supporting residents who are vulnerable and/or on a low income by offering early intervention support in managing their personal budgets and provide assistance with outstanding arrears. This includes personal payment plans and/or appointments (office based or home visits) with specialist officers who can provide this direct personal advice and support.
15. Prior to writing off a debt officers will explore all avenues available to them to maximise the recovery of monies owed to the Council. There are clear procedures that are in place for recovery of all monies owed.

16. The procedures for the recovery of housing benefit overpayments is attached as Appendix A. Council Tax, Business Rates recovery and Housing rents processes are available on our website, at the following links;

- [Council Tax Recovery Procedure](#)
- [Business Rates Recovery Procedure](#)
- [Housing Rent Recovery](#)

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
None the report is for information only			

Recovery - Housing Benefit Overpayments.

When an overpayment occurs due to either a reduction in entitlement or the cancellation of a claim, we will seek to recover the debt by the following methods;

1. From ongoing entitlement.
2. From any outstanding underpayments
3. By direct invoice.

Our invoices state that full repayment is required within 14 days, but if the debtor cannot make full repayment instalments can be arranged.

If payment is not made, and instalments have not been agreed. We will issue a reminder notice after 21 days. If this fails to secure payment, or a payment proposal, a Final Notice will be issued.

A County Court judgement can be obtained if payment is not received

We have reciprocal agreements with other Local Authorities that they will recover our overpayments from the entitlement of claimants that have moved from our area to theirs, and vice-versa.

We are able to ask the DWP to make deductions from most Benefits

We can attach earnings at source, without obtaining a Court Order

We also have in place a system where the Council's Bailiff for Council Tax and Non Domestic Rates, will undertake to collect a debt on our behalf as our Agents.

Writing off Debts

If an overpayment has been caused by Local Authority error, we would write off the overpayment if the claimant cannot be deemed to have reasonably known they were being overpaid

If the overpayment is otherwise recoverable, we would only write off the debt in the following circumstances:

- The claimant has died, and there is either no Next of Kin or Estate.
- The debt is over 6 years old.
- If the debt is treated as being a qualifying debt subject to a Bankruptcy Order, an Individual Voluntary Arrangement or a Debt Relief Order.
- If the debtor has moved, and cannot be traced.
- If Her Majesties Courts and Tribunals Service find against the council at appeal.