

<b>Committee:</b>	Cabinet	<b>Date:</b> Thursday, 1 July 2021
<b>Title:</b>	Officers Decision – Write offs 2020/21	
<b>Portfolio Holder:</b>	Councillor Neil Hargreaves, Portfolio Holder for Finance and Budget	
<b>Report Author:</b>	Angela Knight, Assistant Director - Resources aknight@uttlesford.gov.uk	<b>Key decision:</b> No

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## Summary

1. This report details Officers decisions under delegated powers to authorise write offs less than £10,000 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 2020/21 is £148,148 of this £95,552 has a direct financial impact on the Council.
4. All 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

- 8.

Communication/Consultation	Budget Holders and CMT have been consulted
Community Safety	N/A
Equalities	N/A
Health and Safety	N/A
Human Rights/Legal Implications	N/A

Sustainability	N/A
Ward-specific impacts	N/A
Workforce/Workplace	N/A

## Situation

9. The Covid-19 pandemic has had a significant impact on how the Council has managed debt recovery since the 23 March 2020 with all recovery action put on hold by the Government nationally.
10. The recovery process was reinstated on a phased programme and was in line with the Governments guidance on lockdown and the reopening of businesses.
11. The reduced level of recovery action during the 2020/21 financial year has resulted in a lower level of write offs than in previous years. It is expected that this will have the opposite effect on the 2021/22 financial year with the a higher level of write offs, as recovery 'catches up'.
12. The council has amended its processes to accommodate any exceptional or local circumstances as required.
13. The total sum of write offs actioned in 2020/21 was £148,148 (compared to £262,768 in 2019/20) and relates to historical debt as well as current. The table below shows the breakdown of these amounts by service area.

Write Off Amounts				
	2019/20	2020/21		UDC share
Council Tax	£114,071	£57,797	9%	£5,202
Business Rates	£34,479	£2	40%	£1
Benefits	£63,058	£39,550	100%	£39,550
Housing Rent	£44,146	£10,710	100%	£10,710
Sundry Debtors	£7,014	£40,089	100%	£40,089
	<b>£262,768</b>	<b>£148,148</b>		<b>£95,552</b>

14. For Council Tax and Business Rates we only bear the financial impact of our share, which is based on the same percentages as the income collected. The total value of the write offs are adjusted at the financial year end will be written back to the revenue account. For Business Rates and Council Tax the amounts are applied to the main preceptors final account balances within the collection fund (with the exception of Parishes for Council Tax as the amounts are immaterial).
15. The main reasons for writing off debts are;
  - a. Bankruptcy (personal and businesses)
  - b. Company in administration/liquidation
  - c. Independent voluntary Agreements (IVA's)
  - d. Unable to trace debtor or deceased
  - e. Uneconomical to continue to try and recover

16. 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.
17. A report was presented to Cabinet on 30<sup>th</sup> November 2018 giving delegated authority to the Chief Finance Officer (S151) to write off individual debts up to a value of £10,000. Any individual amounts above this would be subject to Cabinet approval.
18. The Council is committed to supporting residents who are vulnerable and/or on a low income by offering early intervention and support in personal budgeting and arranging personal payment plans to manage any outstanding arrears. This support includes appointments, offered either on the phone or by video call with officers who specialise in providing this direct personal advice and support.
19. 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.
20. The procedures for the recovery of housing benefit overpayment are attached as Appendix A. Council Tax, Business Rates and Housing rents recovery processes are available on our website, at the following links;

[Uttlesford District Council - Recovery procedures Council Tax](#)  
[Uttlesford District Council - Business rates debt recovery](#)  
[Uttlesford District Council - Rent Arrears Policy](#)

## Risk Analysis

21.

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

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.