

Committee: Cabinet

Date: 29 June 2023

Title: Officers Decision – Write offs 2022/23

Portfolio Holder: Portfolio Holder for Finance and Budget

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Key decision:
No

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 to the Council which have been written off by officers for the financial year 2022/23 is £392,360, of which £145,645 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 total sum of write offs actioned in 2022/23 was £392,360, of which £145,645 has a direct impact on the Council.

Write Off Amounts				
	2021/22	2022/23		UDC share
Council Tax	£166,811	224,784	9%	20,231
Business Rates	£69,081	70,270	40%	28,108
Benefits	£8,915	52,165	100%	52,165
Housing Rent	£16,724	39,851	100%	39,851
Sundry Debtors	£1,300	8,077	100%	8,077
Sundry Debtors (prior years write back)	£0	(2,787)		(2,787)
	£262,831	£392,360		£145,645

10. The level of debt in 2022/23 has increased compared to the previous financial year 2021/22, this is due to the following.
- The 2021/22 was still managing the recovery from the Pandemic where recovery processes were limited by Government legislation, so this increased the level of recovery action and write offs in 2022/23.
 - The increased pressure of the Cost of Living crisis has made it more difficult to recover aged debt.
11. For Business Rates and Council Tax the apportioned written off 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). The Council only bears the financial impact of our share, which is based on the same percentages as the income collected. The total value of the Council share of write offs are applied to the final balance against the Council's revenue account.
12. 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
13. 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.

14. The above table shows an amount of £2,787 which had been written off in prior years but due to changes in circumstances we were able to recover these monies and credit the income back to the revenue account.
15. 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 one to one support and advice meetings, offered either in person, telephone call or by video call with officers who specialise in providing this direct personal advice and support.
16. 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.
17. 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;
- [Council Tax Debt Recovery Procedures](#)
[Business Rates Debt Recovery procedures](#)
[Housing Rent Arrears Policy](#)
18. A report was presented to Cabinet on 30th 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.

Risk Analysis

19.

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.