

Committee:	Cabinet	Date:	Tuesday, 16 October 2018
Title:	Officer Decisions – Write Offs		
Portfolio Holder:	Cllr Simon Howell, Portfolio Holder for Finance and Administration		
Report Author:	Angela Knight, Assistant Director – Resources, 01799 510446	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 2017/18 is £254,884, of this £121,010 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 write offs for 2017/18 total £254,884 and the table below shows the breakdown of these by service area;

Service Area	2017/18 Amounts Written Off	
	Annual Amount	Average amount
Benefits	£41,885	£476
Business Rates	£60,672	£4,045
Council Tax	£107,110	£373
Rents	£42,082	£751
Sundry Debtors	£3,135	£241
Total write offs	£254,884	£5,887

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 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 actual financial impact for The Council is shown in the following table;

Service Area	2017/18 Amounts Written Off		
	Annual Amount	UDC %	UDC amount
Benefits	£41,885	100%	41,885
Business Rates	£60,672	40%	24,269
Council Tax	£107,110	9%	9,640
Rents	£42,082	100%	42,082
Sundry Debtors	£3,135	100%	3,135
Total write offs	£254,884		121,010

11. The above amounts relate to historical debt as well as current, with the oldest debt dating back to April 2008.

12. The main reasons for writing off debts are;

- Bankruptcy (personal and businesses)
- Company in administration/liquidation
- Independent voluntary Agreements
- Unable to trace debtor
- 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. A report was presented to Cabinet on 30th November and approved by members, giving delegated authority to the Chief Finance Officer (S151) to authorise write offs under £10,000. Any amounts above this would be subject to Cabinet approval.
15. 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.
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 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 Procedures](#)

[Business Rates Recovery Procedures](#)

[Rent-Arrears-Policy](#)

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.

