

Notice of:	LEADER OF THE COUNCIL
Decision Number:	PH2/2021
Relevant Officer:	Steve Thompson, Director of Resources
Relevant Cabinet Member:	Councillor Lynn Williams, Leader of the Council
Date of Decision:	5 January 2021

SUNDRY DEBT, COUNCIL TAX, HOUSING BENEFIT OVERPAYMENTS AND BUSINESS RATES WRITE OFFS

1.0 Purpose of the report:

- 1.1 This report lists applications to write off outstanding balances of Sundry Debts, Housing Benefit Overpayments and Business Rates where there is no prospect of recovery or recovery of the debt is inappropriate.

The Corporate Write Off Policy states that all Sundry Debt, and Housing Benefit Overpayments over £5,000 and Business Rates over £10,000 must be authorised by Executive.

2.0 Recommendation(s):

- 2.1 To write off the Sundry Debts for Social Care totalling £11,867.11 outlined in paragraph 6.1.
- 2.2 To write off the Housing Benefit overpayment debts totaling £28,967.13 outlined in paragraph 6.2.
- 2.3 To write off the Business Rates debt totaling £557,418.95 outlined in paragraph 6.3 and Appendix A.

3.0 Reasons for recommendation(s):

- 3.1 To ensure correct accounting practices and adherence to the Corporate Write Off Policy.
- 3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No
- 3.3 Is the recommendation in accordance with the Council's approved budget? Yes

4.0 Other alternative options to be considered:

4.1 There is no alternative option available that is in line with the Corporate Write Off Policy.

5.0 Council Priority:

5.1 The relevant Council priority is: "Communities: Creating stronger communities and increasing resilience".

6.0 Background Information

6.1 Social Care Benefits Division

The debt relates to invoices 30091197 for £327.85 raised November 2014, 30094097 for £1,261.08 raised February 2015, 30097553 for £2,162.00 raised May 2015, 30102626 for £2,019.98 raised December 2015, 30106973 for £1,299.44 raised April 2016, 30120213 for £4,333.44 raised August 2017 and 30134401 for £463.32 raised February 2019, totaling £11,867.11. The debt is for unpaid client contributions. The client died Feb 2019. Overall the outstanding debt was £21,867.11, part of this debt had been subject to Legal action and judgement obtained and enforced and was secured on the property. After death the debt was queried by a solicitor employed by the son, disputing that the father did not have capacity to act in a legal manner and that the Council could not prove that a deferred payment arrangement was offered under the Care Act 2015. Counsel employed by the Council agreed a settlement figure of £10,000 which has been paid and credited to outstanding invoices. Therefore £11,867.11 is submitted for write off as Legal settlement agreed.

6.2 Housing Benefit Overpayments

Two Housing Benefit overpayments totaling £12,635.52 relate to debts where the debtor is now deceased and there are insufficient funds or no estate from which to recover any outstanding balance. Debt 1) Invoice 59298410 for £5,663.66 raised September 2012 and invoice 59758617 for £1,145.90 raised December 2016 totaling £6809.56. Debt 2) Invoice 59617017 for £4,809.60 raised July 2015, invoice 59739746 for £946.61 raised October 2016 and invoice 59905114 for £69.75 raised December 2018 totaling £5825.96.

One Housing Benefit overpayment for £5,807.87, which relates to debt where there is no prospect of recovering it because all attempts to trace the whereabouts of the debtor have been unsuccessful, invoice 59238108 for £5,807.87 raised February 2012.

Two Housing Benefit overpayments totaling £10,523.74, relate to debts which are

covered by a Debt Relief Order and where recovery cannot be sought:
Debt 1) invoice 59587024 for £5,355 raised April 2015; Debt 2) invoice 59612711 for £60.16 raised June 2015, invoice 59612737 for £27.14 raised June 2015, invoice 59653518 for £31.99 raised November 2015, invoice 59713775 for £1,644.82 raised July 2016, invoice 59955591 for £174.34 raised October 2019 and invoice 59964650 for £3,230.29 raised December 2019 totaling £5168.74.

Total £28,967.13.

6.3 Business Rates

Write off totals can be broken down as follows :-

Six ratepayers had amounts totalling £178,748.81 which could not be collected due to Bankruptcy/Insolvency.

Five ratepayers absconded leaving debts of £70,142.25 and we have been unable to trace their whereabouts.

Eight ratepayers had amounts totalling £308,527.89 of which there is no prospect of recovery. Seven companies have been dissolved at companies' house and the remaining company the Council cannot pursue due to the Director being taken to court and facing prison.

Total £557,418.95

6.4 Does the information submitted include any exempt information? No

7.0 List of Appendices:

Appendix A- Itemised Debts for Business Rates

8.0 Legal considerations:

8.1 Sundry Debts are written back to the services' budgets but there is bad debt provision set aside for writing off uncollectable debts.

8.2 Sums which remain uncollectable and not written off reduce the Council's collection performance which is monitored on a monthly basis.

8.3 All of the Business Rates debts for which write-off is requested (or is being reported) within this report relate to the period prior to April 2020. Under the new system of Business Rate Retention, from 1 April 2013 a proportion of any Business Rate debts that are written-off will have to be met by the Council. The cost of writing off these

debts will be met from the provision for losses on collection (the bad debt provision) in respect of Business Rates. The provision is funded by contributions by all the recipients of Business Rate income according to the proportionate share of Business Rate income that each receive prior to any further adjustments for 'tariffs' or 'top-ups' according to local spending need as calculated by central government.

8.4 It is good practice for the Council to write legitimate Business Rate debt off, however any debt written-off can be re-instated at a later date should there be an unforeseen opportunity to recover part or all of the debt.

9.0 Legal considerations:

9.1 Information relating to Business Rates account holders may be subject to the Data Protection Act 1998.

10.0 Risk management considerations:

10.1 None.

11.0 Equalities considerations:

11.1 None.

12.0 Sustainability, climate change and environmental considerations:

12.1 None.

13.0 Internal/ External Consultation undertaken:

13.1 None

14.0 Background papers:

14.1 Authorised write-off forms from relevant departments.

ONLY APPLICABLE FOR REPORTS WHICH WILL EVENTUALLY BE CONSIDERED BY THE EXECUTIVE/ CABINET MEMBER

15.0 Key decision information:

- 15.1 Is this a key decision? No
- 15.2 If so, Forward Plan reference number:
- 15.3 If a key decision, is the decision required in less than five days? No
- 15.4 If **yes**, please describe the reason for urgency:

16.0 Call-in information:

- 16.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No
- 16.2 If **yes**, please give reason:

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

17.0 Scrutiny Committee Chairman (where appropriate):

Date informed:

Date approved:

18.0 Declarations of interest (if applicable):

18.1 None.

19.0 Executive decision:

19.1 **The Leader of the Council agreed the recommendations as outlined above namely:**

20.0 Date of Decision:

20.1 5 January 2021

21.0 Reason(s) for decision:

21.1 To ensure correct accounting practices and adherence to the Corporate Write Off Policy.

22.0 Date Decision published:

22.1 5 January 2021

23.0 Executive Members in attendance:

23.1

24.0 Call-in:

24.1

25.0 Notes:

25.1