

Policy & Resources Meeting	
Meeting Date	12 July 2023
Report Title	Accounts to write off
EMT Lead	Lisa Fillery Director of Resources
Head of Service	
Lead Officer	
Classification	Open
Recommendations	1. The committee consents to the write off of the debts in excess of £10k.

1 Purpose of Report and Executive Summary

- 1.1 This report schedules those debts in excess of £10,000 to be written off as irrecoverable which it has been agreed will be reported to Committee prior to the Director of Resources authorising the write-offs.

2 Background

- 2.1 The Accounts and Audit Regulations 2003 (as amended) require that decisions to write of accounts are taken with the authority of the responsible financial officer.
- 2.2 The council's constitution (D5.9) states that once raised, no bona fide debt or part of the debt may be written off, unless the reason for write off is fully documented and approved by the Director of Resources.
- (a) all debts arising from bankruptcies and liquidations, which are not covered by distributions from liquidators, receivers or administrators; and
- (b) any other single amount due to the Council up to £5,000 or with Management Team approval £10,000. Any outstanding debt in excess of this amount can only be written off with the consent of the Policy and Resources Committee.
- 2.3 From year to year it is not possible to predict the level of write offs. What is possible is to ensure that procedures are in place to deal with these accounts properly; that proper claims are made in respect of bankruptcy and liquidation cases, executors are informed of liabilities and that all tracing enquiries are made in respect of absconded cases.

3 Proposals

- 3.1 The Director of Resources receives regular reports requesting the write off of debt, that has followed the due process for collection and is deemed to be irrecoverable. The debts that are within the delegation limits of the Director of Resources and Senior Management Team are reviewed and where appropriate are approved for write off.
- 3.2 Debts in excess of £10,000 that require the consent of Policy & Resources to write off are listed below with the justification for the write off request. This request will be made on an annual basis from 2023/24.
- 3.3 Business Rates

Business Rate debt write offs are accounted for through the collection fund where provision is made for the non payment of debts. The provision and the write off amounts are proportionate to the preceptors share of the business rates collection fund.

Table 1.

Account number	Amount	Details
327231581	£13,452.71	Company ceased trading with proposal to strike off pending with no likelihood of payment due to no assets or funds available
327017357	£21,685.63	No trace of company who has absconded. Debt covers period 2013/14 to 2016/17.

3.4 Housing Benefit

Housing Benefit overpayments arise when claimants' circumstances change and cancellations or reductions of their benefit entitlement is back dated to the date of the change. Deductions to recover overpayments can be made from any ongoing or reinstated benefits where possible. When benefits are no longer payable and tracing and other collection methods are unsuccessful and the debt is deemed irrecoverable, then the request to write off those debts is made. If new information is received once a debt has been written off the cases will be revisited to recommence recovery action.

The cases in excess of £10,000 are as follows

Table 2

Amount	Details
£10,740.36	Overpayment period 2015-2019 due to not declaring non dependent children. Claim was reassessed with new information that reduced the initial overpayment amount and repayment plan was in place from ongoing benefit payments until the death of the claimant. There is no money in the estate to cover the outstanding amount.
£13,001.86	Overpayment period 2008 -2011 following DWP investigation leading to cancellation of housing benefit as claimant was living with a partner who was working. Debt referred to debt collection agency after no response to reminders and final notices. Minimal payment received initially along with direct debit set up which was cancelled after 9 months. No trace of claimant via DWP, Searchlight, employment checks or debt collection agent.
£20,547.71	Overpayment period 1994 -2016 following an investigation in 2004 which decided the claimant had been working since 1994. Deductions applied to new claims and cancelled successively between 2005-2010. 2013-2019 repayments recovered from another local authority's benefit claims. No success from debt collection agents and DWP have refused debt recovery via benefit payments as there are already deductions in place and debt is deemed irrecoverable.

3.5 There are no requests to write off debts in excess of £10,000 for Council Tax or Sundry Debts.

3.6 Allowance is made in the accounts for the non-recovery of a small proportion of debts. The Collection Fund bears the cost of write offs for council tax and business rates, and these losses are shared with the precepting authorities for council tax and includes the government for business rates. The council has a bad debt provision for sundry debts and housing benefit payments.

4 Alternative Options Considered and Rejected

4.1 The council has done all it can to recover the debts listed above. The alternative option would be to hold the debt on record but without the likelihood of any future recovery this option is not recommended.

5 Consultation Undertaken or Proposed

5.1 No consultation has taken place. The Director of Resources is authorised to write off debts and this report to Committee is an element of consultation in that process.

6 Implications

Issue	Implications
Corporate Plan	The recommendation in this report supports the business of council and making it fit for the future.
Financial, Resource and Property	The council provides
Legal, Statutory and Procurement	In accordance with Accounts and Audit Regulations (2003) as amended the responsible officer must authorise the write off of debts.
Crime and Disorder	None identified at this stage
Environment and Climate/Ecological Emergency	None identified at this stage
Health and Wellbeing	None identified at this stage
Safeguarding of Children, Young People and Vulnerable Adults	None identified at this stage
Risk Management and Health and Safety	None identified at this stage
Equality and Diversity	None identified at this stage
Privacy and Data Protection	None identified at this stage

7 Appendices

7.1 Exempt appendices are attached detailing the cases to write off in respect of the business rate debts summarised in Table 1