

Subject:	Council Tax, Non-Domestic Rate & Housing Benefit Overpayment Write Offs	Status:	For Publication
Report to:	Cabinet	Date:	4 th March 2020
Report of:	Head of Finance & Property Services	Portfolio Holder:	Resources
Key Decision:	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception	<input type="checkbox"/> Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	No	Attached: No
Biodiversity Impact Assessment	Required:	No	Attached: No
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1.	RECOMMENDATIONS
1.1	Members are recommended to approve the write off of £11,951.40 in respect of irrecoverable Non-Domestic Rate debt (NNDR). Direct cost to Rossendale BC is £4,780.56.
1.2	Members are recommended to approve the write off of £12,445.35 in respect of irrecoverable Council Tax debt. Direct cost to Rossendale BC is £1,804.57.
1.3	Members are recommended to approve the write off of £41,830.55 in respect of irrecoverable Housing Benefit Overpayments. Direct cost to Rossendale BC is £nil.

2. PURPOSE OF REPORT

2.1 The purpose of the report is to request member authority to write off bad debts of Non-Domestic Rates & Council Tax which are above the delegated limit of £5000 (see appendix).

3. BACKGROUND

- 3.1 It is prudent practice to clear any debts from the ledgers which are now deemed to be irrecoverable.
- 3.2 The sum of £11,951.40 is regarded as irrecoverable in respect of NNDR; the companies in question having variously gone into liquidation or absconded and the debts are therefore recommended for write off. The write off amount is the total unpaid tax, due to the tier split between central government, county council and district, Rossendale will bear 40% of this sum directly.
- 3.3 The sum of £12,445.35 is regarded as irrecoverable in respect of Council Tax; it relates to one bankrupt and one deceased individual. The write off amount is the total unpaid tax. Due to the split between precepts, Rossendale will bear approx. 14.5% of this sum directly.
- 3.4 The sum of £41,830.55 is regarded as irrecoverable in respect of Housing Benefit Overpayments; one case was due to local authority error and two relate to bankruptcy. The write off amount is the total overpayment. Due to subsidy arrangements, there is no direct cost to Rossendale.
- 3.5 The second Council Tax case reference *****378 and the first Housing benefit overpayment reference ***03 relate to the same individual. The overpayments arose as a result of anti-fraud activity. The individual's bankruptcy means that the overpayments

cannot be recovered. It should be noted that without anti-fraud activity, the fraudulent claim would likely be still ongoing.

3.6 A record of all debts written off is maintained in the event that there is an opportunity for future collections.

4. RISK

4.1 There are no specific risk issues for members to consider arising from this report.

5. FINANCE

5.1 Financial matters are noted in the report.

5.2 The Council has previously set aside a general provision for potential bad debts. That said the actual direct cost to Council is:

- NNDR	£4,780.56 (40%)
- Council Tax	£1,804.57 (c 14.5%)
- Housing Benefit Overpayment	£0

6. LEGAL

6.1 There are no specific implications arising from the report as all means of recovery have presently been exhausted.

7. POLICY AND EQUALITIES IMPLICATIONS

7.1 The proposed write offs set out in this report are recommended in accordance with the Council's agreed write off policies and procedures.

All write-offs are considered with due regard on their own merit as required. This report is not proposing new services, policies, strategies, or plans (or significant changes to or reviews of them). It does not propose decisions about budget cuts or service changes/reductions. It is determined therefore, that this report is unlikely to have any adverse impacts under the Council's Equality Policy or associated equality duties, and has not been assessed for equalities impacts.

No HR implications arising from this report.

8. CONCLUSION

8.1 The write-offs are within the provisions available and recommendation to write off is made within the grounds of prudence before the financial year end.

No background papers.

Ref No	Name of Debtor	Address of Property	Period	Reason	Amount	Total
****078	Exors of *****	***** Bacup	2006/2007 2007/2008 2008/2009 2009/2010 2010/2011 2011/2012 2012/2013	Deceased Feb 12. All liability orders have been sent to Enforcement Agents. CP then moved and a trace revealed Forwarding Address. L.O's then reissued to EA but then CP deceased so no further recovery action available	£154.39 £979.27 £1,012.96 £1,044.13 £1,047.74 £1,047.74 £609.97	£5,896.20
****378	*****	***** Whitworth	2013/2014 2014/2015 2015/2016 2016/2017 2017/2018 2018/2019 2019/2020	Bankrupt with effect Sept 19. This was a debt as a result of fraud and CTS was backdated with a balance due in full of £6610.14. CP could not pay and filed for bankruptcy	£832.44 £855.34 £869.39 £889.38 £883.47 £941.48 £1,277.65	£6,549.15
Total amount over £5000 written off						£12,445.35

Ref No	Name of Debtor	Address of Property	Period	Reason	Amount	Total
*****715	*****	***** *****	2014/2015 Agents 2015/2016	Recovery has been ongoing since March 2015 when the first summons was issued and the second one was issued May 2015. This has been at trace since 2015. *****left the business property in November 2015 and the only address we held was a c/o address. Checked Council Tax and not registered as the liable party there. This has been an extensive search for ***** from 2015 however we have been unable to find a trace of any further address. Due to the c/o address and the fact CTax did not have a name on the account we could not pass it on to Enforcement	£1,537.04 £4,034.96	£5,572.00
*****687	Atak Consruction LLP	Unit 3 Hud Hey Industrial Estate Jud Hey Rd Haslingden	2018/2019	Company dissolved 10th September 2019. Billing period is 11 th June 2018 – 31 st March 2019 however we were only informed of their occupation in April 2019 when the Landlords wrote to us and provided a copy of the lease. A reminder was issued to the registered address in July 2019 and then an email was received 26 th September 2019 to advise that the company was dissolved on the 10 th September 2019. Due to the timing's recovery action had not commenced on the account and due to the fact the company were dissolved their profile was updated so recovery ceased.	£6,379.40	£6,379.40
Total amount over £5000 written off						£11,951.40

Ref No	Name of Debtor	Address of Property	Period	Reason	Amount	Total
03	**	***** Whitworth	25/06/2012 14/04/2019	Bankrupt with effect Sept 19. This was a debt as a result of fraud and CTS was backdated with a balance due in full of £6610.14. CP could not pay and filed for bankruptcy	£27,697.10	£27,697.10
63	* *	***** Rawtenstall	08/09/2014 12/03/2017	The claimants date of birth had been incorrectly input when the claim was first processed. This error was identified at a later date and corrected which resulted in an overpayment due to a loss of premiums and allowances . The claimant could not have been aware of this error and therefore is deemed not recoverable.	£7,103.45	£7,103.45
46	* *	***** Haslingden	14/04/2014 18/02/2018	Declared bankrupt Sept 19	£7,030.00	£7,030.00
Total amount over £5000 written off						£41,830.55