

Subject:	Council Tax, Non-Domestic Rate & Housing Benefit Overpayment Write Offs	Status:	For Publication
Report to:	Cabinet	Date:	10 th November 2021
Report of:	Head of Finance	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 £88,390.53 in respect of irrecoverable Non-Domestic Rate debt (NNDR). Direct cost to Rossendale BC is £35,356.21.
1.2	Members are recommended to approve the write off of £12,253.29 in respect of irrecoverable Council Tax debt. Direct cost to Rossendale BC is £1,715.16.
1.3	Members are recommended to approve the write off of £39,231.17 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, Housing benefit Overpayment and 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 Write Off reports are usually brought before Cabinet biannually. Due to Covid, this is the first report write off report to be brought since March 2020. The values included, particularly in respect of NNDR cases, are higher than historic averages.
- 3.3 The sum of £88,390.53 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.
- 3.4 The sum of £12,253.29 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.
- 3.5 The sum of £39,231.17 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.

3.6 Every effort is made is made to recover all debts before the final option of a write off is explored. The Covid pandemic resulted in all recovery action being suspended during 2020. The Rossendale recovery timetable is robust and detailed by activity, all efforts are made to recover any debts owed to the Council. The majority of the write offs are out of the control of the Council and include company liquidations and deceased debtors. A record of all debts written off is maintained and in the event that if there is an opportunity for future recovery, these debts can be written back on.

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 Each year the Council reviews its assessment of potential bad debts and sets aside sums for future recognition of uncollectable amounts.

5.3 The Council's share of the sums recommended for write-off are shown below:

- NNDR	£35,356.21 (40%)
- Council Tax	£1,715.16 (c 14.0%)
- Housing Benefit Overpayment	£0

5.4 The Council holds sufficient sums in the bad debt provisions for both NNDR and Council Tax to fund those amounts recommend for write-off.

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.

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.

ROSSENDALE BOROUGH COUNCIL**NON RECOVERABLE NDR BAD DEBTS FOR WRITE OFF**

Ref No	Name of Debtor	Address of Property	Period	Reason	Amount	Total
*****75	Mercer House 1842	Bacup Leisure Hall Burnely Rd Bacup	2016/2017	Irrecoverable	7,278.83	7,278.83
*****81	Verdeolv Ltd	White Horse, Holcombe Road, Rossendale	2018/2019	Company dissolved	5008 5268.75	10,276.75
*****80	R. Soper Limited	Grane Road Mill, Grane Road, Haslingden	2019/20	Company in Administration	29557.93	29557.93
*****57	*****	23-27 Bacup Road, Rossendale	2009/10 2010/11 2011/12	Statute Barred	1,799.82 5,651.10 6,606.80	14,057.72
*****49	Rossendale United Holdings Ltd	Rossendale Supporters Club, Dark Lane	2013/14 2014/15 2015/16	Co Dissolved	1,349.00 3,422.20 1,673.64	6,444.84
*****81	Rossendale Inns Ltd	Jolly Sailor, Booth Road, Rossendale	2015/16 2016/17 2017/18	Co Dissolved	6,504.00 8,107.00 6,163.46	20,774.46

Total amount over £5000 for write off**88,390.53**

HB CASES FOR OVERPAYMENT WRITE OFF OVER £5,000.00

CLAIM	NAME	ADDRESS	O/P	PERIOD	DATE CREATED	REASON FOR WRITE OFF
02	**	Whitworth	£9,615.87	17/17 - 07/0	06/07/2020	Repayment plan agreed and standing order set up but claimant passed away 31/12/2020 leaving no estate
38	**	Waterfoot	£7,922.97	14/18 - 01/0	30/11/2020	Claimant appealed successfully
52	**	Haslingden	£11,114.01	14/14 - 23/1	15/01/2019	Overpayment had been referred to the Dwp for deductions but an IVA was granted on the 13/12/2019
18	**	Stacksteads	£5,115.00	1/17 - 07/0	10/04/19 / 05/07/19	Claimant had set up a repayment plan but passed away 19/07/2020 leaving no estate
18	**	Bacup	£5,463.32	16/19 - 30/0	27/07/20 / 18/09/20	Claimant was in the process of appealing but passed away on the 18/01/2021
			£39,231.17			

ROSSENDALE BOROUGH COUNCIL**NON RECOVERABLE COUNCIL TAX BAD DEBTS FOR WRITE OFF**

Ref No	Name of Debtor	Address of Property	Period	Reason	Amount	Total
*****3 - 3	*****	*****	Edenfield			
			2009/10	IVA	102.82	
			2010/11		916.78	
			2011/12		888.89	
			2012/13		753.58	
			2013/14		907.73	
			2014/15		10.6	
			2015/16		1087.36	
			2016/17		1,287.98	5955.74
*****2 - 0	*****	*****	Waterfoot			
			2014/15	IVA	284.62	
			2015/16		602.65	
			2016/17		225.18	
			2017/18		285.19	
			2017/18		586.53	
			2018/19		301	
			2018/19		833.72	
			2019/20		231.72	
			2019/20		945.82	
			2020/21		981.1	
			2021/22		1020.02	6297.55
Total amount for write off						12253.29