

Subject:	Council Tax, Non-Domestic			Status:	For P	ublicat	tion
	Rate &	Housing Ben	efit				
	Overpay	yment Write	Offs				
Report to:	Cabinet		Date:	16th October 2024			
Report of:	Head of	Finance		Lead Member:	Resources		
Key Decision:		Forward PI	an 🛚	General Exceptio	n 🔲 Special Urgency 🗌		ial Urgency
Equality Impact Assessment: Require			Required:	No	Attac	hed:	No
Biodiversity Impact Assessment: Requi			Required:	No	Attac	hed:	No
Contact Officer: lan Walker			Telephone:	0170	6 2525	92	
Email:	ianwa	alker@rosser	.uk				

1. RECOMMENDATIONS

- 1.1 Members are recommended to approve the write off of £63,202.22 in respect of irrecoverable Council Tax debt. Direct cost to Rossendale BC is £8.437.50
- 1.2 Members are recommended to approve the write off of £6,152.21 in respect of irrecoverable Housing Benefit Overpayments. Direct cost to Rossendale BC is nil.

2. EXECUTIVE SUMMARY

- The purpose of the report is to request member authority to write off bad debts of Housing Benefit Overpayment and Council Tax which are above the delegated limit of £5000 (see appendix).
- The sums to be written off are the amounts unpaid by the customer. Due to funding and precepting arrangements, the amounts borne by Rossendale in income foregone are lower than the totals written off.
- In each case, there are no more recovery options available to collect monies owed and therefore no prospect of collection in these cases.
- Appropriate Recovery action has been attempted, but the remaining balances are now irrecoverable.

3. BACKGROUND

3.1 It is prudent practice to clear any debts from the ledgers which are now deemed to be irrecoverable. There is no delegated authority to write off debts in excess of £5,000, and so member authorisation is required.

4. DETAILS

- 4.1 The sum of £63,202.22 is regarded as irrecoverable in respect of Council Tax; it relates to individuals whose debts are now covered by Individual Voluntary Arrangements, Debt Relief Orders or who are now deceased. As such, no further collection activity is possible. The write off amount is the total unpaid tax. Due to the split between precepts, Rossendale will bear £8,437.50 of this sum directly.
- 4.2 The sum of £6,152.21 is regarded as irrecoverable in respect of Housing Benefit Overpayments; the case was due to local authority error. The write off amount is the total overpayment. Due to subsidy arrangements, there is no direct cost to Rossendale.
- 4.3 Housing Benefit subsidy arrangements are that provided total overpayment caused by local authority error is less than 0.48% of all payments, then 40% subsidy is retained. Therefore where overpayments are fully recovered, Rossendale could potentially receive 140% of the

Version Number:	1	Page:	1 of 2
-----------------	---	-------	--------

value of the overpayment i.e. 40% housing benefit subsidy and the full value of the recovered sum.

- 4.4 In 2023/24 local authority error overpayments were under the threshold. Overpayments recovered vs raised was 78.5% That is to say that overall, collection of housing benefits overpayment resulted in a net credit, rather than a loss in 2023/24.
- 4.5 There are no Non-Domestic Rate write off cases which require authorisation at this time.

5. RISK

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

6. FINANCE

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

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

- Council Tax

£8,437.50 (13.35%)

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

7. LEGAL

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

8. POLICY AND EQUALITIES IMPLICATIONS

- 8.1 The proposed write offs set out in this report are recommended in accordance with the Council's agreed write off policies and procedures.
- 8.2 An EIA initial assessment has been undertaken and it has been identified there are no disproportional impact and a Full EIA is not required.

9. REASON FOR DECISION

9.1 It is prudent practice to clear any debts from the ledgers which are now deemed to be irrecoverable.

No background papers

Version Number:	1	Page:	2 of 2
-----------------	---	-------	--------

Council Tax

Ref No	Name of Debtor	Address of Property	Period	Reason	Amount	Total
225****	******	BB4	2019/20	Various attempts to collect via enforcement. IVA approved June 2023 . Anything	£859.11	
			2020/21	realised from IVA would be written back on.	£1,744.19	
			2021/22		£1,813.37	
			2022/23		£851.40	£5,268.07
				Various attempts to collect via enforcement. CP passed away June 2021. Confirmed		
225****	Exors of *********	BL9	2015/16	there is no money in esstate to clear debt. The property was identified in 2019 with	£1,071.40	
			2016/17	backdated banding. The occupier apparently had not been aware that there would be	£1,103.99	
			2017/18	council tax liability a Moved out without ever having paid and subsequently deceased.	£1,140.75	
			2018/19		£1,204.00	
			2019/20		£1,261.10	
			2020/21		£1,308.14	
			2021/22		£324.17	£7,413.55
217****	Exors of *******	BB4	2008/09	Various attempts to collect via enforcement. CP was evicted from property March	£29.14	
			2010/11	2019 and has since passed away. No funds in estate to clear debt	£475.78	
			2011/12	,	£36.50	
			2012/13		£453.16	
			2013/14		£778.05	
			2014/15		£750.52	
			2015/16		£598.05	
			2015/16		£129.97	
			2016/17		£827.99	
			2017/18		£501.15	
			2018/19		£628.89	£5,209.20
224****	******	OL13	2016/17	Various attempts to collect via Enforcement. IVA approved February 2024. Anything	£11.88	
224		0213	2017/18	realised from IVA would be written back on	£855.56	
			2019/20	realised from the would be written back of	£619.11	
			2020/21		£1,308.14	
			2021/22		£1,360.03	
			2022/23		£1,412.54	
			2023/24		£993.37	£6,560.63
228****	*******	BB4	2017/18	Various attempt to collect via enforcement agents. Charge payer entered into IVA.	£855.56	
220		400	2017/18	Anything realised from IVA would be written back on	£903.00	
			2019/19	Anything realised from IVA would be written back on	£903.00 £945.82	
			2019/20		1945.82	

			2020/21		£981.10	
			2021/22		£1,020.02	
			2022/23		£1,151.90	£5,857.40
	*********			Various attempts to collect via Enforcement. CP went to prison and is since		
218****		BB4	2010/11	untraceable.	£231.13	
			2011/12		£785.80	
			2012/13		£787.63	
			2013/14		£590.25	
			2014/15		£746.11	
			2015/16		£777.83	
			2016/17		£827.99	
			2017/18		£119.54	
			2018/19		£446.21	
			2019/20			£5,312.49
	**********			Various methods of recovery attempted including attachment of earnings &		
222****		OL12	2015/16	enforcement. Became a trace in 2021 and no succeess in tracing new address	£576.77	
			2016/17		£839.50	
			2017/18		£867.26	
			2018/19		£915.05	
			2019/20		305.02	
			2020/21		1277.65	
					769.79	£5,551.04
223****	********	OL13	2018/19	Debt Relief Order approved 18/12/23 unable to recover. Partial payment of 2018 &	£693.83	
223		OLIS	2019/20	2020, steadily falling further behind until DRO	£1,471.27	
			2020/21	2020, steadily familig further benind dritti DNO	£956.15	
			2021/22		£1,554.20	
			2022/23		£1,740.47	
			2023/24		£1,717.27	£8,133.19
	********			Empty property charges. No address othe than property address (as shown on Land		
225****	*******	BB4	2020/21	Registry) Recovery action failed and property sold	£941.18	
			2021/22	G. The state of th	£1,360.03	
			2022/23		£1,199.15	
			•		£2,917.58	
					£1,540.32	£7,958.26
	********			Charge payer always made arrangements with RBC & EA's which eventually failed left		
216****	en e	BB4	2010/11	property without forweatrding address and we have not been able to trace a new	£296.55	
210		904	2010/11	address	£410.00	
			2012/13 2016/17		£198.00	
			2017/18		£665.75	
			2018/19		£1,175.00	

2020/21	£1	1,308.14	
2021/22	:	£684.95	£5,938.39
	Council Tax for write off	1	£63,202.22

£1,200.00

£69,354.43

2019/20

Housing Benefit Overpayments						
1****	**********	BB4	Bedroom rate not amended when the non dependant moved out in 2013 claimant 22/04/13 - 14/01/24 successfully appealed and the overpayment made non recoverable.	£6,152.21		
			HB Overpayment Total		£6,152.21	

TOTAL AMOUNT FOR WRITE OFF