

<b>Subject:</b>	Council Tax, Non-Domestic Rate & Housing Benefit Overpayment write offs	<b>Status:</b>	For Publication
<b>Report to:</b>	Cabinet	<b>Date:</b>	10th October 2018
<b>Report of:</b>	Head of Finance & Property Services	<b>Portfolio Holder:</b>	Resources
<b>Key Decision:</b>	<input type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception	<input type="checkbox"/> Special Urgency <input type="checkbox"/>
<b>Equality Impact Assessment:</b>	Required:	No	Attached: No
<b>Biodiversity Impact Assessment</b>	Required:	No	Attached: No
<b>Contact Officer:</b>	Ian Walker	<b>Telephone:</b>	01706 252592
<b>Email:</b>	ianwalker@rossendalebc.gov.uk		

1.	<b>RECOMMENDATIONS</b>
1.1	Members are recommended to approve the write off of £41,182.22 in respect of irrecoverable Non-Domestic Rate debt.
1.2	Members are recommended to approve the write off of £31,403.10 in respect of irrecoverable Council Tax debt.
1.3	Members are recommended to approve the write off of £11,080.09 in respect of irrecoverable Housing Benefit Overpayment.

## 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 which are above the delegated limit of £5000 (see appendix).

## 3. CORPORATE PRIORITIES

- 3.1 The matters discussed in this report impact directly on the following corporate priorities:

- **A connected and successful Rossendale that welcomes sustainable growth:** our priority is to ensure that we are well connected to our residents, key partners and stakeholders. We want to make the most of every pound we spend and we are always looking for new and innovative ways to make the resources we do have, work harder for us.
- **A proud, healthy and vibrant Rossendale:** our priority is to ensure that we are creating and maintaining a healthy and vibrant place for people to live and visit.

## 4. RISK ASSESSMENT IMPLICATIONS

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

## 5. BACKGROUND AND OPTIONS

- 5.1 It is prudent practice to clear any debts from the ledgers which are now deemed to be irrecoverable.
- 5.2 The sum of £41,182.22 is regarded as irrecoverable in respect of NNDR; the companies in question having variously dissolved or gone into liquidation 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.
- 5.3 The sum of £31,403.10 is regarded as irrecoverable in respect of Council Tax; it relates to two

individuals who have been declared bankrupt and a company now dissolved, the debt is therefore recommended for write off. The write off amount is the total unpaid tax. Due to the split between precepts, Rossendale will bear approx. 15% of this sum directly.

5.3.1 In respect of the largest debt, case 3:

- 14 separate Liability Orders obtained in respect of these sums.
- Enforcement Agents attended in each year but were unable to seize goods.
- Committal to prison proceedings were instituted in 2008.
- Warrant officers proved unable to serve warrants in order to bring the defendant to Court.
- Committal proceedings were then withdrawn in order to pursue alternative recovery action.
- Further enforcement visits suggested that the indebted party may be in receipt of DWP benefits, but no claim for Council Tax benefit ever made.
- In 2017 property was repossessed by the Lender.
- In September 2017 the Customer was made bankrupt.

5.4 The sum of £11,080.09 is regarded as irrecoverable in respect of Housing Benefit Overpayment.

In the first case the overpayment has been recorded as local authority error and is therefore not recoverable from the customer. Due to benefit subsidy arrangements, there is no direct cost to Rossendale in this case.

In the second case (indebted party deceased) overpayments which are recoverable attract 40% benefit subsidy. In this case Rossendale will bear 60% of the cost directly.

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

**COMMENTS FROM STATUTORY OFFICERS:**

**6. SECTION 151 OFFICER**

6.1 Financial matters are noted in the report.

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

- NNDR £16,472.89 (40%)
- Council Tax £4,628.31(c 15%)
- Housing Benefit Overpayments £3,008.92 (60% of £5014.86)

**7. MONITORING OFFICER**

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

**8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT**

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.

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.

**9. CONCLUSION**

9.1 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.