

Policy & Resources Meeting	
Meeting Date	16 October 2024
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 Executive 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.
- 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.

Account number	Amount	Details
327233635	£18,196.34	Company occupied premises from March to October 2022. Demand notices issued following non payment of business rates and Liability Order granted by the courts in December 2022. Debt recovery was unsuccessful and company was dissolved in June 2023 therefore we are no longer able to follow up on debt recovery.
327211522	£39,277.10	Company occupied premises from May 2019 to January 2020. Demand notice issued following non payment of business rates and Liability Order granted by the court in September 2019. Initial payment arrangement ended after 4 months with the registered office for the company now as the Official Receivers office in Cardiff this debt is irrecoverable.
327238884	£25,803.10	Company occupied premises from June 2022 to March 2023. Bills and subsequent demand notices issued with final notice and Liability Order granted in May and June 2023. Company dissolved in February 2024 and debt recovery returned to the council as non recoverable.
327235654	£14,570.12	Company liable for property charges from March 2021 until September 2022. Demand notices duly issued and sent to insolvency practitioner following notification of company in liquidation in October 2022. Company

		dissolved in Feb 2024 and so debt no longer recoverable.
--	--	--

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.

Amount	Details
£16,319.95	Housing Benefit overpayment was assessed following a DWP Accuracy initiative review of the claimants non-dependant earnings in December 2020. Claim was assessed year on year from 2015 resulting in an overpayment of almost £18k. Between Jan and October 2021 weekly deductions of £11.25 were made from existing HB claim which increased to payments of £12/week from December 2021 to June 2023 following transfer to universal credit. We received notification of claimants death in June 2023 and were advised that the money left in the estate at the time of death had been used to pay part of the funeral expenses. There are no further means of recovering this debt.

3.5 Council Tax

Amount	Details
£11,643.92	Council tax arrears have accrued between 2019/20-2023/24 with an Individual Voluntary Arrangement (IVA) being agreed in August 2023. This process ceases to allow active recovery of outstanding debt as payments made to an insolvency practitioner are divided between all listed creditors. The level of payments received to cover outstanding debts as part of an IVA are usually very small and will take many years to clear the debt outstanding and so it is usual practice to write off the debt as an IVA is agreed and then write back any payments received in respect of the original debt. We are currently receiving £92/month in respect of this IVA.

3.6 There are no requests to write off debts in excess of £10,000 for Sundry Debts.

3.7 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 an allowance to cover the non payment of debt across all debt categories and these write offs will be charged to that provision and will not create a further budget pressure.
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