

This report is public	
The appendix to the report is exempt by virtue of paragraphs 1 and 2 of scheduled 12A of Local Government Act 1972	
Summary of Debt Write Offs for Council Tax, Non-Domestic Rates and Overpayment of Housing Benefit	
Committee	Delegated Decision of Assistant Director of Finance (S151 Officer)
Date of Committee	27 June 2024
Portfolio Holder presenting the report	By officer delegated decision
Date Portfolio Holder agreed report	N/A
Report of	Head of Revenues and Benefits, Jacey Scott

Purpose of report

To provide a summary of the accounts proposed for write-offs and to request approval for the write-offs.

These debts range from 2010/11 to 2023/24.

The debts include Business Rates, Council Tax and Overpaid Housing Benefit

1. Recommendations

The Section 151 Officer resolves:

- 1.1 To approve the proposed write off of debts where the value is less than £5,000.00 for Council Tax, less than £5,000 for Overpayment of Housing Benefit and less than £10,000 for Business Rates, where all recovery methods have been exhausted. These have been reviewed by the Revenue Services Manager and are available to be reviewed on request.

2. Executive Summary

- 2.1 The Council's financial procedure rules require that recommended write offs with an outstanding balance of £5,000 and above for Council Tax, Overpayment of Housing Benefit or Sundry Debtors, and £10,000 and above for Business Rates must be approved by the Executive.
- 2.2 There are certain circumstances where it is practically or legally impossible to collect outstanding debts due to the Council. This includes cases where the debtor has gone into liquidation, been declared bankrupt, has died, or has left a property

without trace and all reasonable efforts to trace the debtor have proven unsuccessful.

- 2.3 The Council's power to collect and enforce Business Rates are set out in the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989 and every effort will be made to recover debt owing to the Council before it is considered for write off. This includes using tracing agents, visiting the property, contacting the occupants as well as cross – referencing other internal databases.
- 2.4 The Council's power to collect and enforce Council Tax are set out in the Council Tax (Administration and Enforcement) Regulations 1992 and every effort will be made to recover debt owing to the Council before it is considered for write off. This includes using tracing agents, visiting the property, contacting the occupants as well as cross – referencing other internal databases.
- 2.5 The recommendation for the majority of write off fall into the following categories.
- Deceased – No Estate – No further recovery options are available in this instance.
 - Absconded/Abroad – Several of the cases relate to individuals that have returned to their Country of origin and fall outside of our jurisdiction for any further enforcement action.
 - Insolvency/bankruptcy/Individual Voluntary arrangement/Company dissolved – Those cases in the insolvency process cannot have alternative action taken against them, in some cases we are receiving nominal payments, but these will all leave substantial balances outstanding, and the recovery process has been exhausted, further action cannot be pursued following the insolvency process.
 - Statute barred – Debts over 6 years old and fall within the Statute of Limitations Act
 - Uneconomical to collect / Recovery Activity Exhausted – debts of low value or where all recovery options have been exhausted.
- 2.6 The financial regulations make provision for writing off debts that are uneconomical to collect or irrecoverable. The Council maintains a number of bad debt provisions in the anticipation that debts will become uncollectable, and these once agreed are charged to the relevant provision or cost centre. The provision within the council for Council Tax bad debt is £1.936m, for Overpayment of Housing Benefit debt is £1.282m and for Business Rates is £1.484m and by writing off the amount of debt mentioned in this report will not cause the provision to be exceeded. This provision is reviewed on a regular basis to ensure that we have sufficient within it.
- 2.7 Debts below £5,000 for Council Tax and Overpayment of Housing and debts below £10,000 for Non-Domestic Rates will be reviewed by the Section 151 officer at Cherwell District Council

Implications & Impact Assessments

Implications	Commentary			
Finance	<p>The implications are set out in the report and detailed in the appendices. The Council reviews the level and age of debt owed to it periodically. Provisions are created and reviewed each year to ensure resource has been put aside for debts that are not able to be collected. Bad debt provision will be released to cover the cost of these debt write offs. The level of bad debt provision required at the end of the year will be considered based on the aged debt profile at that point and adjusted accordingly.</p> <p>Write offs of business rates debt are shared in the ratio 40% Cherwell District Council, 10% Oxfordshire County Council, 50% the Government.</p> <p>Kelly Wheeler Finance Business Partner 18/06/2024</p>			
Legal	<p>The appendix to this report details each debt. This report seeks to write off debts so far as the Council's internal accounting protocols and procedures are concerned. It does not preclude the Council from seeking recovery should it become feasible in the future - the debts will still exist, and the Council would remain entitled to chase for them, subject to applicable limitation periods under the Limitation Act 1980 that render pursuance statute barred after substantial periods of non-contact (generally 6 years in respect of the recovery of a debt).</p> <p>Shahin Ismail, Legal Services Manager, 17 June 2024</p>			
Risk Management	<p>These write offs are being considered in accordance with the Council's Financial Regulations. There are no risks arising directly from this report.</p> <p>Celia Prado-Teeling, Performance Team Leader, 17 June 2024</p>			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact		x		<p>There are no equalities implications as a direct consequence of this report.</p> <p>Celia Prado-Teeling, Performance Team Leader, 17 June 2024</p>
A Are there any aspects of the proposed decision,		X		

including how it is delivered or accessed, that could impact on inequality?				
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		
Climate & Environmental Impact				N/A
ICT & Digital Impact				N/A
Data Impact				N/A
Procurement & subsidy				N/A
Council Priorities	N/A			
Human Resources	N/A			
Property	N/A			
Consultation & Engagement	N/A			

Supporting Information

3. Background

- 3.1 Uncollectable debts for Business Rates debt are shared in the ration 40% Cherwell District Council, 10% Oxfordshire County Council, 50% the Government.
- 3.2 Uncollectable debts for Council Tax debt are shared by the major preceptors, Oxfordshire County Council, Police and Crime Commissioner for Thames Valley Police and Cherwell District Council.

4. Details

- 4.1 The table below provides the total value of debts contained in the appendices that accompany the report.

- 4.2 The table below contains the value of debt for each reason for not being collectable and where the overall value of the bills raised is for less than £5,000.00 for Council Tax and Overpayment of Housing Benefit, and £10,000.00 for Business Rates

These have been reviewed for write off by Section 151 Officer

Reason for write off	Fund	Amount	Fund Impacted
Bankruptcy/Company dissolved/Debt Relief Order/ Individual Voluntary Arrangement	Council Tax	£9,280.43	Collection Fund
Deceased	Council Tax	£7,155.04	Collection Fund
Gone Away/Absconded	Council Tax	£14,069.80	Collection Fund
Small Balance Write Off	Council Tax	£1,764.53	Collection Fund
Statute Barred	Council Tax	£1,898.77	Collection Fund
Total to be written off under £5k		£34,708.57	

Reason for write off	Fund	Amount	Fund Impacted
Bankruptcy/Company dissolved/Debt Relief Order/ Individual Voluntary Arrangement	Overpayment of Housing Benefit	£4,282.33	General Fund
Statutory barred	Overpayment of Housing Benefit	£242.07	General Fund
Deceased	Overpayment of Housing Benefit	£1,698.62	General Fund
Management discretion	Overpayment of Housing Benefit	£75.00	General Fund d
Small Balance Write Off	Overpayment of Housing Benefit	£0.01	General Fund
Total to be written off under £5k		£6,398.03	

Reason for write off	Fund	Amount	Fund Impacted
Company dissolved/Liquidation	Business Rates	£50,205.88	Collection Fund
No forwarding address known	Business Rates	£4,458.54	Collection Fund
Small Balance	Business Rates	£38.38	Collection Fund
Remitted by court order	Business Rates	£7,040.00	Collection Fund
Total to be written off under £10k		£61,742.80	

5. Alternative Options and Reasons for Rejection

- 5.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: To not write off the debt. This old and irrecoverable debt places additional administration on the team as periodically, it is required to be reviewed and pursued. By writing off the debt, more time will be able to be focussed on reviewing debt that is more likely to be recoverable.

6 Conclusion and Reasons for Recommendations

- 6.1 The Section 151 Officer to note the contents of the report and approve the debts for write off as detailed in the above tables.

Decision Information

Key Decision	No
Subject to Call in	Yes
If not, why not subject to call in	N/A
Ward(s) Affected	All

Document Information

Appendices	
Appendix 1	Write off spreadsheet EXEMPT
Background Papers	None
Reference Papers	Write off spreadsheet 30 May 2024
Report Author	Vicki Taplin Revenue Services Manager
Report Author contact details	Vicki.taplin@Cherwell-dc.gov.uk Telephone 01295 227927