



Portfolio Holder Report

The portfolio holder will make a decision on this item after seven days have elapsed (including the date of publication).

Report of:	Portfolio Holder	Date of publication
Clare James, Corporate Director Resources (and S151 Officer)	Councillor Lesley McKay, Resources Portfolio Holder	21 March 2024

Write Offs - Irrecoverable Debts

Key decision: No

1. Purpose of report

1.1 The reporting of Council Tax, Non-Domestic Rate (NNDR), Housing Benefit Overpayments and Sundry Debtor write-offs.

2. Council priorities

2.1 A well run, forward-thinking council that puts customers first.

3. Recommendation

3.1 The Portfolio Holder is asked to note the action taken by the Corporate Director Resources (and S151 Officer) in relation to the write-off of bad debt.

4. Background

4.1 The Council aims for 100% recovery of all debts but for a variety of reasons recognises that a small percentage will always become irrecoverable. Each year, a provision is made to cover the amount written-off, based on the age of the debt and the likelihood of recovery.

4.2 Information is presented by the Revenues Manager, based on their recommendations, to the Corporate Director Resources for review each year. Following a thorough verification and examination process, a final schedule of write-offs is agreed.

4.3 In 2022/23, no Housing Benefit Overpayment debt or Sundry Debt was written-off owing to the anticipated low value and resource constraints at the time. This report reflects a return to the normal approach to write-off these debts each year.

5. Key issues and proposals

5.1 Schedules of outstanding debts, which are deemed to be irrecoverable are attached at appendices 1 to 7.

5.2 The debts are at a stage where further recovery action is not possible, either because of the age of the debt, the details available are insufficient to continue recovery action (e.g. absconding debtors with no forwarding address), the debt is negligible and it is uneconomic for the council to continue recovery, or it is considered that all avenues of recovery have been exhausted. In the case of insolvency debt, an appropriate claim has been registered with the official receiver, and if a dividend is eventually received then this will be offset against the amount written-off.

5.3 In the case of absconding debtors, local taxation staff utilise the services of an online tracing facility that will cross-check data with a number of national sources including registers of electors and recognised agencies.

5.4 The total Council Tax debt authorised for write-off is £368,705.73 representing 0.45% of the gross Council Tax debit for 2023/24.

5.5 The total NNDR debt authorised for write-off/adjustment is £142,562.81 representing 0.46% of the gross NNDR debit for 2023/24.

5.6 The total Housing Benefit Overpayment debt authorised for write-off is £59,042.36 representing 8.41% of the totalled Housing Benefit Overpayment (HBO) invoices outstanding. However, it should be noted that no HBO write-offs were undertaken in 2022/23 and so this represents two years of write-offs.

5.7 The total Sundry Debt authorised for write-off is £11,182.32 representing 1.16% of the gross Sundry Debtors outstanding as at 9 February 2024. However, it should be noted that no Sundry Debt write-offs were undertaken in 2022/23 and so this represents two years of write-offs.

6. Alternative options considered and rejected

6.1 The option to not write-off any bad debts was considered and rejected as managing outstanding debt is considered a sound principle of financial management.

7. Delegated functions

7.1 The matters referred to in this report are considered under the following executive function delegated to the Resources Portfolio Holder (as set out in Part 3 of the council's constitution): "To deal with the collection and enforcement of debts due except where specific responsibility has been allocated elsewhere"; and The Scheme of Delegation to Officers whereby the Corporate Director Resources (and S151 Officer) is given to report these to the relevant executive member.

Financial, Legal and Climate Change implications	
Finance	The cost of the write-offs will be met from the relevant Bad Debt Provision, which must be maintained at a level that can meet the write-offs, funded by contributions from the collection fund in relation to Council Tax and NNDR.
Legal	There are no direct legal implications arising from this report.
Climate Change	The proposals made do not have a direct impact on the council's carbon emissions and the wider Climate Emergency and sustainability targets of the Council.

Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	x
health and safety	x

risks/implications	✓ / x
asset management	x
ICT	x
data protection	x

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

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List of background papers:		
name of document	date	where available for inspection

List of appendices

- Appendix 1 – 4: Schedules of Council Tax debts authorised for write-off
- Appendix 5: Schedule of NNDR debts authorised for write-off
- Appendix 6: Schedule of Housing Benefit overpayment debts authorised for write-off
- Appendix 7: Schedule of Sundry Debts authorised for write-off