



Policy, Finance and Development Committee	Tuesday, 28 March 2023	Matter for Information and Decision
--	-------------------------------	--

Report Title: **Collection and Write-Off of Miscellaneous Debtors (Q3 2022/23)**

Report Author(s): **Tracy Bingham (Strategic Director / Section 151 Officer)**

Purpose of Report:	To seek approval to write off debts above £10,000 and to provide a status update on the status of debts written off under delegated powers.
Report Summary:	There have been amounts of NDR, Council Tax, Housing Benefit Overpayment and Sundry Debts written off under delegated powers by the Section 151 Officer (amounts under £5,000) and the Section 151 Officer in consultation with the Policy, Finance and Development Chair (amounts between £5,000 - £10,000). Amounts for write-off that are above £10,000 are set out in this report for Committee approval.
Recommendation(s):	That the Committee note the contents of the report and approve the Non Domestic Rates and Housing Benefit Overpayment write-offs that are above £10,000.
Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):	<p>Tracy Bingham (Strategic Director / Section 151 Officer) (0116) 257 2845 tracy.bingham@oadby-wigston.gov.uk</p> <p>Bev Bull (Head of Finance / Deputy Section 151 Officer) (0116) 257 2649 bev.bull@oadby-wigston.gov.uk</p> <p>Rashpal Sohal (Finance Manager) (0116) 257 2705 rashpal.sohal@oadby-wigston.gov.uk</p> <p>Jon Owst (Revenues and Benefits Manager) (0116) 257 2859 jon.owst@oadby-wigston.gov.uk</p>
Strategic Objectives:	Our Council (SO1)
Vision and Values:	Accountability (V1) Respect (V2) Customer Focus (V5)
Report Implications:-	
Legal:	There are no implications directly arising from this report.
Financial:	The implications are as set out within this report.
Corporate Risk Management:	Decreasing Financial Resources / Increasing Financial Pressures (CR1)

Equalities and Equalities Assessment (EA):	There are no implications arising from this report.
Human Rights:	There are no implications arising from this report.
Health and Safety:	There are no implications arising from this report.
Statutory Officers' Comments:-	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	As the author, the report is satisfactory.
Monitoring Officer:	The report is satisfactory.
Consultees:	<ul style="list-style-type: none"> • Policy Finance and Development Committee Chair
Background Papers:	<ul style="list-style-type: none"> • Debt Recovery Policy, Policy, Finance and Development Committee – Tuesday 21 July 2015.
Appendices:	None.

1. Introduction

- 1.1 The purpose of this report is to seek approval to write off debts above £10,000 and to provide a status update on the status of debts written off under delegated powers.
- 1.2 The writing off of debts is only considered where appropriate recovery and enforcement options have been taken or where the Council is legally prohibited from pursuing the debt. Examples where debt recovery is prohibited in law include:
- bankruptcy or a Debt Relief Order is in place;
 - deceased – No assets within the estate;
 - debtor Absconded / No Trace;
 - company in liquidation/dissolved or ceased trading with no assets;
 - severe hardship and/or serious health issues; or
 - Statute barred i.e. the Council cannot legally pursue the debt as there has been six years since the debt fell due and no action has been taken to collect the debt;
- 1.3 In some cases, it is uneconomical to collect an outstanding debt, because the costs associated with recovering the debt exceed the income recoverable.
- 1.4 The Council uses a number of methods to collect debts, principally making direct contact with debtors via letter, email or telephone; referring debts on to an enforcement agent; and/or taking legal action through the courts system.
- 1.5 Where appropriate recovery and enforcement options have been taken or where the Council is legally prohibited from pursuing, debts are considered for write off in line with the council's Corporate Debt Policy. Under the policy, amounts owed by a single debtor under £5,000 may be written off by the Chief Finance Officer. Amounts above £5,000 but below £10,000 are delegated for write off to the Chief Finance Officer in consultation with the Policy, Finance and Development Committee (PFDC) Chair. The writing off of debts above £10,000 may only be approved by PFDC.

2. Current Position

2.1 The following sets out the opening bad debt provision relating to prior years debt, the amounts written off under delegated powers during the year, the amounts over £10,000 written off (none to date) and the remaining balance available. This is broken down for each separate bad debt provision that is held for Council Tax, Non Domestic Rates, Housing Rents, Housing Benefit Overpayments and Sundry Debtors.

	Provision as at 1 April 2022	Write offs to date less than £5,000 (by S151 Officer under delegated powers)	Write offs to date £5,001 - £10,000 (by S151 Officer under delegated powers)	Amounts written off over £10,001 approved by Members	Balance Available
Council Tax	(1,150,799.29)	103,942.76	5,917.92	-	(1,040,938.61)
Non Domestic Rates	(382,997.00)	102,711.82	86,306.93	-	(193,978.25)
Housing Rents	(264,171.15)	27,919.89	-	-	(236,251.26)
Housing Benefit Overpayments	(378,343.36)	26,712.69	-	-	(351,630.67)
Sundry Debtors	(106,317.62)	35,486.24	-	-	(70,831.38)

2.2 Write offs relating to the 2022/23 year are also set out below. Members should note that there is no bad debt provision relating to the current year.

	Write offs to date less than £5,000 (by S151 Officer under delegated powers)	Write offs to date £5,001 - £10,000 (by S151 Officer under delegated powers)	Amounts written off over £10,001 approved by Members
Council Tax	£3,981.96	-	-
Non Domestic Rates	£2,994.00	-	-
Housing Rents	-	-	-
Housing Benefit Overpayments	£994.60	-	-
Sundry Debtors	-	-	-

3. Council Tax

- 3.1 There are currently no Council Tax debts over £10,000 for which Committee's approval for write off is sought.
- 3.2 The amounts written off under delegated powers in accordance with the thresholds outlined in the Corporate Debt Policy are as follows:

	Total No. of cases	Write offs to date less than £5,000 (by S151 Officer under delegated powers)	Write offs to date £5,001 - £10,000 (by S151 Officer under delegated powers)
Deceased	20	21,231.44	-
Bankruptcy / Insolvency	21	15,886.02	-
IVA / DRO	33	36,693.88 (32 cases)	5,917.92 (1 case)
Unable to trace	11	6,338.97	-
Statute barred	28	15,430.86	-
Not appropriate to pursue	1	44.04	-
Recovery exhausted	5	7,132.20	-
Uneconomical to pursue	5	1,185.35	-
	124	£103,942.76	£5,917.92

4. Non-Domestic Rates

- 4.1 There are four Non-Domestic Rate debts over £10,000 amounting to £66,710.35 for which Committee approval for write off is sought. Of these, three cases are insolvent (£55,963.43) and one case is statute barred, meaning the debt is no longer enforceable.
- 4.2 The amounts written off under delegated powers in accordance with the thresholds outlined in the Corporate Debt Policy are as follows:

	Total No. of cases	Write offs to date less than £5,000 (by S151 Officer under delegated powers)	Write offs to date £5,001 - £10,000 (by S151 Officer under delegated powers)
Deceased	0	-	-
Bankruptcy / Insolvency	15	23,488.25 (12 cases)	21,536.27 (3 cases)
IVA / DRO	0	-	-
Unable to trace	0	-	-
Statute barred	77	64,728.29 (69 cases)	54,275 (8 cases)
Not appropriate to pursue	8	9,475.80	-
Recovery exhausted	3	4,987.21 (1 case)	10,496.66 (2 cases)
Uneconomical to pursue	1	32.27	-
	104	£102,711.82	£86,306.93

5. Housing Rents

- 5.1 There are currently no Council Tax debts over £10,000 for which Committee's approval for write off is sought.
- 5.2 The amounts written off under delegated powers in accordance with the thresholds outlined in the Corporate Debt Policy are as follows:

	Total No. of cases	Write offs to date less than £5,000 (by S151 Officer under delegated powers)	Write offs to date £5,001 - £10,000 (by S151 Officer under delegated powers)
Deceased	3	£1,088.21	
Bankruptcy / Insolvency			
IVA / DRO			
Unable to trace	2	£7,079.49	
Statute barred	23	£17,195.68	
Not appropriate to pursue			
Recovery exhausted	2	£2,340.81	
Uneconomical to pursue	13	£215.70	
	43	£27,919.89	

6. Housing Benefit Overpayments

- 6.1 There is one Housing Benefit Overpayment, totalling £24,698.28 where the debtor is deceased, for which Committee approval for write off is sought.
- 6.2 The amounts written off under delegated powers in accordance with the thresholds outlined in the Corporate Debt Policy are as follows:

	Total No. of cases	Write offs to date less than £5,000 (by S151 Officer under delegated powers)	Write offs to date £5,001 - £10,000 (by S151 Officer under delegated powers)
Deceased	5	4,302.47	-
Bankruptcy / Insolvency	2	3,842.80	-
IVA / DRO	10	12,630.34	-
Unable to trace	2	628.41	-
Statute barred	1	37.47	-
Not appropriate to pursue	2	108.74	-
Recovery exhausted	0	-	-
Uneconomical to pursue	1	1,038.04	-
Non-recoverable	22	4,124.42	-
	45	£26,712.69	-

7. Sundry Debtors

- 7.1 There are currently no Sundry Debtor debts over £10,000 for which Committee's approval for write off is sought.
- 7.2 The amounts written off under delegated powers in accordance with the thresholds outlined in the Corporate Debt Policy are as follows:

	Total No. of cases	Write offs to date less than £5,000 (by S151 Officer under delegated powers)	Write offs to date £5,001 - £10,000 (by S151 Officer under delegated powers)
Deceased	-	-	-
Bankruptcy / Insolvency	-	-	-
IVA / DRO	-	-	-
Unable to trace	-	-	-
Statute barred	67	£34,552.76	-
Not appropriate to pursue	-	-	-
Recovery exhausted	-	-	-
Uneconomical to pursue	-	-	-
	67	£34,552.76	-