

Harborough District Council

Report to Cabinet Meeting of 10th February 2025



Title:	Bad Debt Write Offs (Revenues and Benefits)
Status:	Public
Key Decision:	Yes
Report Author:	Storme Coop (Revenues & Benefits Manager – Leicestershire Revenues and Benefits Partnership) Telephone contact 01455 255706
Portfolio Holder:	Councillor Mark Graves
Appendices:	Appendix A – National Non-Domestic Rates (NNDR) Schedule of Write Offs over £10,000 Appendix B – Housing Benefits Overpayments (HBOP) Schedule of Write Offs over £10,000

Executive Summary

The Leicestershire and Revenues and Benefits Partnership is responsible for the collection of: Council Tax, National Non-Domestic Rates and Housing Benefit Overpayments.

The report informs Members of the debts written off for these revenue streams. Debts up to the value of £10,000 can be written off by the Head of Partnership, under delegated authority. Permission needs to be sought from the Cabinet to write off individual debts with a value of more than £10,000.

Cabinet is asked to note that the following debts have been written off under delegated authority and amount to:

Council Tax £73,411

Business Rates £7,671.97

Housing Benefit Overpayments £12,994

Cabinet is asked to approve the writing off the following debts which have an individual value exceeding £10,000 and amount to:

Business Rates £70,475.54

Housing Benefits Overpayments £20,443.21

Recommendations
That cabinet notes the amounts written off under delegated powers as set out in paragraph 4.1 of the report.
That Cabinet approves the write off of the amounts listed in Appendix A in respect of Business Rates totalling £70,475.54.
That Cabinet approves the write off of the amounts listed in Appendix B in respect of Housing Benefit Overpayments totalling £20,443.21.
Reasons for Recommendations
All reasonable steps to recover the debt have been taken, and therefore where write off is recommended it is the only course of action that is left available.

1. Purpose of Report

This report seeks approval to write off debts in respect of National Non-Domestic Rates (Business Rates) and Housing Benefit Overpayments (HBOP), and to advise members on what debts have been written off this financial year for the revenues and benefits service area.

2. Background

This report forms part of the formal debt write-off procedures included the Leicestershire and Revenues Benefits Partnership Write Off Policy. This can be accessed through the following link: www.harborough.gov.uk/directory_record/4136/write_off_policy

3. Details

3.1 In accordance with 'Write off policy' debts are categorised into the following areas:

- Bankruptcy/Liquidation
- Debt Relief Order
- Deceased – no estate
- Absconder – no trace
- Statute Barred debt > 6 years
- Uneconomical to collect
- Local authority error
- Small balance
- Total costs written off associated with any above

Cabinet Approval for Write-Off

4. In supporting the recommendation that £70,475.54 be written off this has been summarised below (detailed information shown in **Appendix A**)

- 3 Limited Companies entered into liquidation.
- 1 Limited Company has absconded from the premises leaving no forwarding address.

In supporting the recommendation that the housing benefit debt of £20,443.21 be written off this has been summarised below (detailed information shown in **Appendix B**)

- Claimant has sadly passed away. Tenancy terminated 13th December 2020

Write-Off by Delegation

4.1 The tables below summarise what has been written off by delegation for Council tax, Non-Domestic Rates and Housing benefit overpayments for the period 1st April through to 6th January 2025.

2024/2025

Council Tax		Debts Written Off this period under £10k (net to include credits)	
Debt Reason analysis -			
Bankruptcy / Liquidation		£22,488	£73,411
Debt Relief Order		£27,071	
Deceased - no estate		£1,109	
Absconder - no trace		£17,056	
Uneconomical to collect		£1,079	
Small Balance		£24	
Pre 1997 band adjustments		£494	
Costs written Off against all categories		£4,090	

2024/25

Non-Domestic Rates		Debts Written Off this period under £10k (net to include credits)	
Debt Reason analysis -			
Bankruptcy / Liquidation / Insolvency		£7,197.38	£7,671.97
Absconder		£373.91	
Small balance		£7.18	
Costs written Off against all categories		£93.50	

2024/25

Housing Benefit Overpayments		Debts Written Off this period under £10k (net to include credits)	
Debt Reason analysis -			

Uneconomical to collect	£123	£12,994
Absconder	£496	
Small balance	£26	
Other and deceased	£12,349	

5. Implications of Decisions

5.1 Corporate Priorities

No priorities linked with Corporate Plan.

5.2 Financial

There is no additional financial effect as all the debts are met from the Authority's bad debt provision for previous years arrears or from in year income if the debts relate to the current financial year.

5.3 Legal

No legal issues arise directly from this report

5.4 Policy

No policy issues arise directly from this report

5.5 Environmental Implications including contributions to achieving a net zero carbon Council by 2030

No environmental issues arise directly from this report.

5.6 Risk Management

If proper debt management and accounting procedures are not followed in the management and writing off of debt, then the council could be criticised by the external auditor.

5.7 Equalities Impact

No equalities issues arise directly from this

5.8 Data Protection

No data protection issues arise directly from this report.

6. Summary of Consultation and Outcome

Not applicable.

7. Alternative Options Considered

A number of remedies are available to Local Authorities to recover debts and therefore before a debt is written off each of these is considered. This may include the use of enforcement agents and or credit searches. However, there are instances where a local authority deems it appropriate not to continue with recovery action where for example the debtor has sadly passed away (and there is no money left within the estate) or where we are prevented from continuing because the business is no longer in existence.

8. Background papers

None