

Subject:	Council Tax, Non-Domestic Rate & Housing Benefit Overpayment write offs	Status:	For Publication
Report to:	Cabinet	Date:	21 st February 2018
Report of:	Head of Finance & Property Services	Portfolio Holder:	Resources & Customer Services
Key Decision:	<input type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	No	Attached: No
Biodiversity Impact Assessment	Required:	No	Attached: No
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1.	RECOMMENDATION(S)
1.1	Members are recommended to approve the write off of £40,415.88 in respect of irrecoverable Non-Domestic Rate debt.
1.2	Members are recommended to approve the write off of £5,725.85 in respect of irrecoverable Council Tax debt.
1.3	Members are recommended to approve the write off of £17,139,63 in respect of irrecoverable Housing Benefit Overpayment.

2. PURPOSE OF REPORT

2.1 The purpose of the report is to request member authority to write off bad debts of Non-Domestic Rates which are above the delegated limit of £5000 (see appendix)

3. CORPORATE PRIORITIES

3.1 The matters discussed in this report impact directly on the following corporate priorities:

- **A connected and successful Rossendale that welcomes sustainable growth:** our priority is to ensure that we are well connected to our residents, key partners and stakeholders. We want to make the most of every pound we spend and we are always looking for new and innovative ways to make the resources we do have, work harder for us.
- **A proud, healthy and vibrant Rossendale:** our priority is to ensure that we are creating and maintaining a healthy and vibrant place for people to live and visit.

4. RISK ASSESSMENT IMPLICATIONS

4.1 There are no specific risk issues for members to consider arising from this report.

5. BACKGROUND AND OPTIONS

5.1 It is prudent practice to clear any debts from the ledgers which are now deemed to be irrecoverable.

5.2 The sum of £40,415.88 is regarded as irrecoverable in respect of NNDR; the companies in question having variously dissolved or gone into liquidation and the debts are therefore recommended for write off. The write off amount is the total unpaid tax, due to the tier split between central government, county council and district, Rossendale will bear 40% of this sum directly.

The total amount of write offs in 2017/18 is £86,522.93; this figure relates to all write offs, rather than those which related purely to the 2017/18 charge. By way of comparison the total collectable NNDR for 2017/18 is approx. £13,375,000.

- 5.3 The sum of £5,725.85 is regarded as irrecoverable in respect of Council Tax; the individual in question is now deceased and without estate debt is therefore recommended for write off. The write off amount is the total unpaid tax, due to the split between precepts, Rossendale will bear approx. 15% of this sum directly.

The total amount of write offs in 2017/18 is £9842.42; this figure relates to all write offs, rather than those which related purely to the 2017/18 charge. By way of comparison the total collectable Council Tax for 2017/18 is approx. £35,170,000.

- 5.4 The sum of £17,139.63 is regarded as irrecoverable in respect of Housing Benefit Overpayment; these overpayments are recorded as local authority error and are therefore not recoverable from the customer. The write off amount is the total irrecoverable overpayment. Due to benefit subsidy arrangements, there is no direct cost to Rossendale.

The total amount of write offs in 2017/18 is £85,351.54. The total amount of overpayments currently outstanding is £1,133,830.94. The most common means of recovery for benefit overpayments is to collect from ongoing benefit entitlement, there are however set limits on the amount which may be collected in this way.

It should be noted that under subsidy arrangements, overpayments which are recoverable still attract 40% benefit subsidy. Therefore Rossendale will effectively receive 140% of an overpayment which is collected in full.

- 5.5 A record of all debts written off is maintained in the event that there is an opportunity for future collections.

COMMENTS FROM STATUTORY OFFICERS:

6. SECTION 151 OFFICER

- 6.1 Financial matters are noted in the report

- 6.2 The Council has previously set aside a general provision for potential bad debts. That said the actual direct cost to council is

- NNDR £10,103.97 (40%)
- Council Tax £876 (c 15%)
- Housing Benefit Overpayments £0

7. MONITORING OFFICER

- 7.1 There are no specific implications arising from the report as all means of recovery have presently been exhausted.

8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT

- 8.1 The proposed write offs set out in this report are recommended in accordance with the Council's agreed write off policies and procedures.

All write-offs are considered with due regard on their own merit as required. This report is not proposing new services, policies, strategies, or plans (or significant changes to or reviews of them). It does not propose decisions about budget cuts or service changes/reductions. It is determined therefore, that this report is unlikely to have any adverse impacts under the

Council's Equality Policy or associated equality duties, and has not been assessed for equalities impacts.

No HR implications arising from this report.

9. CONCLUSION

9.1 The write-offs are within the provisions available and recommendation to write off is made within the grounds of prudence before the financial year end.

ROSSENDALE BOROUGH COUNCIL

NON RECOVERABLE NNDR BAD DEBTS FOR WRITE OFF

Ref No	Name of Debtor	Address of Property	Period	Reason	Amount	Total
6017****	Steelmark Ltd T/A Clayton Park Print Finishers	Unit 1-2 Hud Hey Industrial Estate Haslingden	2017/2018	Company placed into liquidation July 2017. Proof of Debt submitted to IP Aug 17	5,056.99	£5,056.99
6018****	J C Livery Facilities Ltd	Winter Hill Stables Edgeside Lane Rossendale	2015/2016 2016/2017 2017/2018	Property came onto the rating list in August 2017 backdated to April 2015. Ni recovery time and company dissolved before any recovery could commence	3,696.00 3,726.80 262.45	£7,685.25
6014****	***** *****	2 Burnley Rd Rawtenstall	2011/2012 2012/2013	RP is subject to a Individual Voluntary Arrangement. As no other effective method of recovery proposal available as all other avenues exhausted proposal accepted. RP has run up NNDR debts at other licensed premises within Rossendale.	2,561.00 4,734.82	£7,295.82
6015****	Anarkali Indian Restaurant Ltd	Farmers Glory Roundhill Rd Haslingden	2012/2013 2013/2014 2014/2015 2015/2016	Restaurant originally opened with an RV of 5700 and received 100% SBRR . When reclassified as a restaurant RV increased 176% to 15750 and was backdated in 2015 to 2012. This large backdated increase in rates payable meant there was no time to recover balance before the company went into financial difficulties and was dissolved.	2,543.73 7,276.50 6,418.25 4,139.34	£20,377.82
					Total	£40,415.88

ROSSENDALE BOROUGH COUNCIL**NON RECOVERABLE COUNCIL TAX BAD DEBTS FOR WRITE OFF**

Ref No	Name of Debtor	Address of Property	Period	Reason	Amount	Total
2112****	Exors of **** *	***** Bacup	2000/2001		227.47	
			2001/2002		588.77	
			2002/2003		737.41	
			2003/2004		821.22	
			2004/2005	Deceased	862.87	
			2005/2006		885.06	
			2006/2007		698.61	
			2007/2008		734.45	
			2008/2009		353.29	
			2009/2010		44.17	5725.85

The person did not own the property, no assets were ever identified for distraint. Committal proceedings attempted and warrants for arrest issued, when brought before the court a combination of ill health and a failure to have claimed council tax benefit/support for which there would likely have been entitlement weighed against application for committal to prison.

ROSSENDALE BOROUGH COUNCIL**NON RECOVERABLE HB OVER PAYMENTS FOR WRITE OFF**

Ref No	Name of Claimant	Address of Property	Period	Reason	Amount
57***	*****	*****Crawshawbooth	21/12/2013 to 17/04/2016	Claim initially set as Hsng Assoc & found to be Private & subject to rent restriction on a review. Tribunal adjudged tenant could not reasonably be expected to know and could not be held liable.	9238.16
47***	*****	***** Bacup	05/04/2010 to 26/11/2017	Claim paid at 1 bed rate with DLA, later determined to be lower rate DLA and therefore entitled to shared room rate only. Deemed not recoverable as the claimant could not reasonably have known he was being paid on the wrong rate due to the complex regulations	7901.47
TOTAL					17139.63