

Appendix 6 – Write Offs – Irrecoverable Council Tax, Business Rates, Housing Benefit Rent And Sundry Debts

1 Irrecoverable Council Tax & Business Rates

- 1.1 All Council Tax and Business Rates are due and payable. However, there are certain instances where the amount of the bill needs to be either written off or reduced (e.g. where people have absconded, have died, have become insolvent or it is uneconomical to recover the debt).
- 1.2 If an account case is subject to this, then consideration is given to write the debt off subject to the requirement to consider all options to recover the debt, prior to submitting for write off. However, once an account has been written off, if the debtor becomes known to the Revenues Service at a later date, then the previously written off amount will be reinstated and pursued.
- 1.3 In respect of Business Rates, where a liquidator is appointed, a significant period of time is taken to allow for the company's affairs to be finalised and to subsequently determine if any monies are available to be paid to creditors. Once it is established this is not to happen, a final search of Companies House is undertaken to confirm the company has been dissolved.
- 1.4 The procedure to write off debts is as follows:
 - a) To write off any debts under £10k, approval is sought from the Assistant Director of Financial Strategy and Deputy Section 151 Officer.
 - b) To write off any debts between £10k and £25k, approval is sought from the Section 151 Officer.
 - c) To write off any debts of more than £25k, Cabinet approval is sought (in this paper).
- 1.5 In recognition of the Council's current spending controls, these requests have been approved by the Section 151 Officer Spend Control Board prior to coming to Cabinet.

Write offs requiring Cabinet approval

- 1.6 All of the debt write-offs proposed in this paper have been approved by the Section 151 Officer Spend control board, prior to coming to Cabinet.

- 1.7 Cabinet are requested to approve the writing off of Council Tax and Business Rates debts to the Council which are greater than £0.025m:
- a) From the 2023/24 financial year, totalling £7,545,487.33 that were approved by the Section 151 Officer Spend Control Board in 2023/24 as detailed in Table 1.
 - b) From the 2024/25 financial year, totalling £5,351,960.68 as detailed in Table 2.
 - c) Further information in respect of these is available on request.

Table 1: Write Offs of over £25,000 for cabinet approval (approved by Section 151 Officer Spend Control Board in 2023/24)

| Age analysis | Up to 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | Total |
|----------------|----------------------|--------------------|--------------------|----------------------|----------------------|--------------------|-------------------|--------------------|-----------|----------------------|
| Council Tax | £86,616.12 | £27,059.02 | £34,844.01 | £41,899.29 | £36,097.87 | £27,834.15 | £31,444.95 | £2,866.80 | £0 | £288,662.21 |
| Business Rates | £1,999,675 | £820,899.77 | £629,432.64 | £1,138,557.32 | £1,861,047.69 | £594,295.64 | £63,022.29 | £149,894.77 | £0 | £7,256,825.12 |
| Total | £2,086,291.12 | £847,958.79 | £664,276.65 | £1,180,456.61 | £1,897,145.56 | £622,129.79 | £94,467.24 | £152,761.57 | £0 | £7,545,487.33 |

Table 2: Write Offs of over £25,000 for cabinet approval (approved by Section 151 Officer Spend Control Board in 2024/25)

| Age analysis | Up to 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | Total |
|----------------|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------|----------------------|
| Council Tax | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Business Rates | £2,024,672.39 | £422,066.21 | £505,853.93 | £507,345.94 | £339,165.87 | £393,575.28 | £729,857.71 | £429,423.35 | £0.00 | £5,351,960.68 |
| Total | £2,024,672.39 | £422,066.21 | £505,853.93 | £507,345.94 | £339,165.87 | £393,575.28 | £729,857.71 | £429,423.35 | £0.00 | £5,351,960.68 |

Table 3: Detailed Age analysis of overpayments and debts written off under delegated authority by Revenues and Benefits Division in 2023/24

| Detail | 1997-2006/7 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|--|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|----------------------|
| Council Tax written off under delegated authority | £3,983.01 | £3,646.97 | £2,911.26 | £2,278.29 | £4,427.66 | £7,605.11 | £12,454.71 | £38,802.17 | £84,447.32 | £73,895.85 | £95,179.45 |
| Business Rates written off under delegated authority | £27,705.56 | £21,722.47 | £48,324.24 | £29,397.51 | £108,536.33 | £238,425.62 | £433,320.79 | £669,628.13 | £863,185.00 | £1,007,428.21 | £1,228,553.40 |
| TOTAL | £31,688.57 | £25,369.44 | £51,235.50 | £31,675.80 | £112,963.99 | £246,030.73 | £445,775.50 | £708,430.30 | £947,632.32 | £1,081,324.06 | £1,323,732.85 |

| Detail | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | TOTAL |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|--------------------|-----------------------|
| Council Tax written off under delegated authority | £131,137.52 | £183,135.85 | £251,687.73 | £191,357.56 | £236,780.77 | £241,634.80 | £132,191.11 | £1,697,557.14 |
| Business Rates written off under delegated authority | £1,083,911.74 | £1,231,767.44 | £1,616,116.27 | £1,381,881.82 | £1,253,554.05 | £1,357,955.65 | £284,607.60 | £12,886,022.83 |
| TOTAL | £1,215,049.26 | £1,414,903.29 | £1,867,804.00 | £1,573,239.38 | £1,490,334.82 | £1,599,590.45 | £416,798.71 | £14,583,579.97 |

Table 4: Detailed Age analysis of overpayments and debts written off under delegated authority by Revenues and Benefits Division 2024-25

| Detail | 1997- 2006/7 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 20012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|
| Council Tax written off under delegated authority | 3,639.19 | 2,109.94 | 3,860.67 | 3,419.79 | 3,812.74 | 4,050.64 | 4,326.10 | 9,966.85 | 28,032.00 | 19,000.19 | 22,881.94 |
| Business Rates written off under delegated authority | - | - | - | 754.05 | 1,352.00 | - | 2,234.26 | 3,989.29 | 18,830.09 | 32,199.62 | 50,186.92 |
| Total | 3,639.19 | 2,109.94 | 3,860.67 | 4,173.84 | 5,164.74 | 4,050.64 | 6,560.36 | 13,956.14 | 46,862.09 | 51,199.81 | 73,068.86 |

| Detail | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | TOTAL |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|
| Council Tax written off under delegated authority | £33,295.37 | £43,091.9 | £81,193.39 | £34,193.97 | £131,325.75 | £154,885.6 | £357,053.21 | £156,000.94 | £1,096,140.18 |
| Business Rates written off under delegated authority | £90,418.86 | £140,800.72 | £225,534.00 | £118,287.00 | £216,418.26 | £463,774.66 | £234,043.66 | £0 | £1,598,823.39 |
| Total | £123,714.23 | £183,892.62 | £306,727.39 | £152,480.97 | £347,744.01 | £618,660.26 | £591,096.87 | £156,000.94 | £2,694,963.57 |

Write offs not requiring Cabinet approval

1.8 The following write-offs do not require Cabinet approval as they are below £25k and subject to delegated approval. These are included for information in this report.

1.9 In 2023/24, further items falling under this description in relation to Council Tax and Business Rates have been written off under delegated authority. Table 5 below details the total approved gross value of these amounts written off of £1,697,557.14 for Council Tax and £12,886,022.83 for Business Rates which Members are asked to note.

Table 5: Summary Age Analysis of debts written off under delegated authority in 2023/24

| Age analysis | Up to 2015/16 | 2016/17 | 2017/18-2018/19 | 2019/20 - 2020/21 | 2021/22 – 2023/24 | Total |
|----------------|---------------|---------------|-----------------|-------------------|-------------------|----------------|
| | £ | £ | £ | £ | £ | £ |
| Council Tax | £234,452.35 | £95,179.45 | £314,273.37 | £443,045.29 | £610,606.68 | £1,697,557.14 |
| Business Rates | £3,447,673.86 | £1,228,553.40 | £2,315,679.18 | £2,997,998.09 | £2,896,117.30 | £12,886,022.83 |

1.10 In 2024/25, from 1 April 2024 to 30 June 2024, further items falling under this description in relation to Council Tax and Business Rates have been written off under delegated authority. Table 6 below details the total approved gross value of these amounts written off of £1,096,140.18 for Council Tax and £1,598,823.39 for Business Rates which Members are asked to note.

Table 6: Summary Age Analysis of debts written off under delegated authority in 2024/25

| Age Analysis | Up to 2015/16 | 2016/17 | 2017/18-2018/19 | 2019/20-2020/21 | 2021/22-2024/25 | Total |
|----------------|---------------|------------|-----------------|-----------------|-----------------|---------------|
| | £ | £ | £ | £ | £ | £ |
| Council Tax | £82,218.11 | £22,881.94 | £76,387.27 | £115,387.36 | £799,265.50 | £1,096,140.18 |
| Business Rates | £59,359.31 | £50,186.92 | £231,219.58 | £343,821.00 | £914,236.58 | £1,598,823.39 |

Table 7: Debt size analysis of overpayments and debts written off under delegated authority and those proposed to be written off by Revenues

and Benefits Division (approved by Section 151 Officer Spend Control Board in 2023/24)

| Grouped by value | Small (<£1,000) | | Medium (£1,000 - £5,000) | | Large (>£5,000) | | TOTAL | |
|---|----------------------|--------------|--------------------------|--------------|-----------------------|--------------|-----------------------|--------------|
| | Value | Cases | Value | Cases | Value | Cases | Value | Cases |
| Council Tax written off under delegated authority | £947,780.37 | 3,774 | £749,776.77 | 574 | 0 | 0 | £1,697,557.14 | 4,348 |
| Business Rates written off under delegated authority | £309,161.01 | 855 | £2,501,120.75 | 1,012 | 10,075,740 | 1,192 | £12,886,022.83 | 3,059 |
| Council Tax written off under cabinet approval over £25K | £148,192.35 | 295 | £140,469.86 | 100 | 0 | 0 | £288,662.21 | 395 |
| Business Rates written off under cabinet approval over £25K | £0.00 | 0 | £0.00 | 0 | 7,256,825 | 145 | £7,256,825.12 | 145 |
| | | | | | | | | |
| TOTAL | £1,405,133.73 | 4,924 | £3,391,367.38 | 1,686 | £17,332,565.19 | 1,337 | £22,129,067.30 | 7,947 |

Table 8: Debt size analysis of overpayments and debts written off under delegated authority and those proposed to be written off by Revenues and Benefits Division (approved by Section 151 Officer Spend Control Board in 2024/25)

| Grouped by value | Small (<£1,000) | | Medium (£1,000 - £5,000) | | Large (>£5,000) | | TOTAL | |
|---|--------------------|---------------|--------------------------|------------|----------------------|------------|----------------------|---------------|
| | Value | Cases | Value | Cases | Value | Cases | Value | Cases |
| Council Tax written off under delegated authority | £495,022.16 | 12,724 | £547,243.05 | 330 | £53,874.97 | 8 | £1,096,140.18 | 13,062 |
| Business Rates written off under delegated authority | £115,683.00 | 426 | £673,191.63 | 281 | £809,948.76 | 93 | £1,598,823.39 | 800 |
| Council Tax written off under cabinet approval over £25K | £0 | N/A | £0 | N/A | £0 | N/A | £0 | N/A |
| Business Rates written off under cabinet approval over £25K | £0 | N/A | £0 | N/A | £5,351,960.68 | 667 | £5,351,960.68 | 667 |
| TOTAL | £610,705.16 | 13,150 | £1,220,434.68 | 611 | £6,215,784.41 | 768 | £8,046,924.25 | 14,529 |

2 Irrecoverable Housing Benefit

- 2.1 In circumstances where Housing Benefit overpayments are identified as not being recoverable, or where recovery is deemed uneconomic, the City Council's Financial Regulations and delegated powers allow for these overpayments and income to be written off. All possible avenues must be exhausted before such write offs are considered. Amounts already written off will still be pursued should those owing the Council money eventually be located or return to the city.
- 2.2 The cost to the council of writing off these irrecoverable sums will be charged to the City Council's provision set up for this purpose, which includes sums set aside in previous years to meet this need. It is, therefore, the appropriate account to be charged. There is no effect on the revenue account.

Write offs approved by Section 151 Officer Spend Control Board in 2023/24

- 2.3 In 2023/24, further items falling under this description in relation to Benefit overpayments were written off under delegated authority. The table 9 below details the gross value of amounts written off, which members are asked to note.

Table 9: Summary of Housing Benefit overpayments written off in 2023/24

| Age analysis | Over 6 years (£m) | 3 - 6 years (£m) | Under 3 years (£m) | Total (£m) |
|-------------------------|------------------------------|-----------------------------|-------------------------------|-------------------|
| Benefit Overpayments | 0.097 | 0.068 | 0.105 | 0.269 |
| Total | 0.097 | 0.068 | 0.105 | 0.269 |

Write offs approved by Section 151 Officer Spend Control Board in 2024/25

- 2.4 In 2024/25, from 1st April up to 30th June 2024, further items falling under this description in relation to Benefit overpayments have been written off under delegated authority. The Table 10 below details the gross value of amounts written off, which members are asked to note.

**Table 10 Summary of Housing Benefit overpayments written off in 2024/25
Quarter 1**

| Age analysis | Over 6 years | 3 to 6 years | Under 3 years | Total |
|----------------------|-----------------|--------------|---------------|--------------|
| | £m | £m | £m | £m |
| Benefit Overpayments | 0.049 | 0.042 | 0.048 | 0.138 |
| | | | | |
| Total | 0.049 | 0.042 | 0.048 | 0.138 |

- 2.5 Cabinet is requested to approve the writing off of one separate Housing Benefit debt to the Council which is greater than £25,000 totalling £35,000. Further information in respect of this is available on request.
- 2.6 Table 11 shows for each quarter the value of debts written off by age band and the number of debtors. It then shows the number of debts in each age band.

Table 11: Detailed summary of Housing Benefits debts written off in 2023/24 under delegated authority

| Quarter | Detail | Pre 2013 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | Total | No of Debtors |
|---------|---|-------------------|------------------|-------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|---------------|
| Q1 | Housing Benefit debts written off under delegated authority | £11,824.96 | £6,362.80 | £11,151.74 | £9,524.13 | £9,878.46 | £8,931.94 | £6,697.88 | £8,515.24 | £4,733.41 | £8,063.96 | £18,466.19 | £4,608.70 | £108,759.41 | 250 |
| Q2 | Housing Benefit debts written off under delegated authority | £7,637.95 | £1,313.20 | £1,176.36 | £6,627.67 | £6,517.07 | £6,308.82 | £6,775.47 | £6,665.73 | £6,212.42 | £5,037.47 | £11,934.33 | £10,008.98 | £80,215.47 | 197 |
| Q3 | Housing Benefit debts written off under delegated authority | £183.66 | £552.18 | £273.75 | £267.14 | £1,452.42 | £6,247.04 | £8,572.30 | £14,397.64 | £1,282.31 | £9,547.56 | £17,262.03 | £19,795.99 | £79,834.02 | 213 |
| | TOTAL | £19,646.57 | £8,228.18 | £12,601.85 | £6,894.81 | £17,847.95 | £21,487.80 | £22,045.65 | £29,578.61 | £12,228.14 | £22,648.99 | £47,662.55 | £34,413.67 | £268,808.90 | |
| Q1 | No of debts in Age band | 20 | 12 | 18 | 11 | 20 | 24 | 24 | 26 | 22 | 30 | 85 | 44 | 336 | |
| Q2 | No of debts in Age band | 19 | 3 | 3 | 10 | 10 | 10 | 6 | 10 | 10 | 23 | 57 | 74 | 235 | |
| Q3 | No of debts in Age band | 17 | 3 | 4 | 5 | 8 | 9 | 8 | 11 | 16 | 30 | 36 | 105 | 252 | |

Table 12: Detailed summary of Housing Benefits debts written off in 2024/25 Quarter 1 under delegated authority

| Detail | Pre 2015 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | Total | No of Debtors |
|---|------------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|------------|-----------|-------------|---------------|
| Housing Benefit debts written off under delegated authority | £30,129.58 | £5,306.84 | £2,678.39 | £6,912.44 | £3,673.99 | £8,251.51 | £15,504.46 | £17,972.01 | £12,850.79 | £30,105.34 | £4,658.21 | £138,043.56 | 304 |
| TOTAL | £30,129.58 | £5,306.84 | £2,678.39 | £6,912.44 | £3,673.99 | £8,251.51 | £15,504.46 | £17,972.01 | £12,850.79 | £30,105.34 | £4,658.21 | £138,043.56 | 304 |
| No of debts in Age band | 26 | 16 | 8 | 20 | 12 | 23 | 39 | 47 | 31 | 81 | 48 | 351 | |

3 Irrecoverable Rent arrears and former arrears

- 3.1 All rental charges, including Use and Occupation, are due and payable. There are certain instances where some charges need to be either written off or reduced (e.g. where people have absconded, have died, have become insolvent or it is uneconomical to recover the debt).
- 3.2 If an account case is subject to this, then consideration is given to write the debt off subject to the requirement to consider all options to recover the debt, prior to submitting for write off. Once an account has been written off, if the debtor becomes known to the Rent Service at a later date, then the previously written off amount may be reinstated and pursued dependent upon circumstances.
- 3.3 Table 13 shows the value of debts written off each month, and the number of debtors.

Table 13: Rents written off in 2024/25 Quarter 1

| Rent written off in Month | Value (£) | Number of debtors |
|---------------------------|------------------|-------------------|
| Apr-24 | 4,492.50 | 6 |
| May-24 | 16,443.83 | 7 |
| Jun-24 | 12,137.60 | 8 |
| Total | 33,073.93 | 21 |

4 Schedule of Sundry debts recommended for write off

- 4.1 Cabinet is requested to approve the writing off of debts greater than £0.025m due to the Council, totalling £1.0m. Table 14 details the nature of the debt.

Table 14: Sundry Debts requested to be written off

| Directorate / Service Area | Invoice Date(s) or Liability period | Amount (£) | Comments |
|--|-------------------------------------|----------------------|--|
| Adult Social Care and Health / Client Financial Services | January 2020 to March 2022 | £37,117.92 | Nature of the debt: Social care charges for residential care supplied |
| Adult Social Care and Health / Client Financial Services | November 2017 to November 2020 | £34,951.12 | Nature of the debt: Social care charges for residential care supplied |
| Adult Social care and Health / Client Financial Services | April 2018 to July 2021 | £36,272.57 | Nature of the debt: Social care charges for residential care supplied from |
| Adult Social Care and Health / Client Financial Services | December 2017 to March 2019 | £60,927.17 | Nature of the debt: Social care charges for residential care supplied |
| Adult Social Care and Health / Client Financial Services | November 2014 to October 2022 | £166,225.01 | Nature of the debt: Social care charges for residential care supplied |
| Adult Social care and Health / Client Financial Services | July 2015 to February 2017 | £50,328.06 | Nature of the debt: Social care charges for residential care supplied |
| Adult Social Care and Health / Client Financial Services | January 2016 to Jan 2019 | £66,493.59 | Nature of the debt: Social care charges for residential care supplied |
| Adult Social Care and Health / Client Financial Services | Dec 2016-Dec 2020 | £64,991.32 | Nature of the debt: Social care charges for residential care supplied |
| Adult Social care and Health / Client Financial Services | May 2017 to May 2019 | £33,264.61 | Nature of the debt: Social care charges for residential care supplied from May 2017 |
| Adult Social care and Health / Client Financial Services | Mar 2019 to Nov 2021 | £28,260.43 | Nature of the debt: Social care charges for residential care supplied |
| Adult Social care and Health / Client Financial Services | Aug 2014 to Jan 2016 | £27,033.77 | Nature of the debt: Social care charges for residential care supplied |
| Adult Social Care and Health / Client Financial Services | June 2015 to December 2018 | £129,595.26 | Nature of the debt: Social care charges for residential care supplied |
| Adult Social Care and Health / Client Financial Services | July 2015 to February 2020 | £75,076.50 | Nature of the debt: Social care charges for residential care supplied |
| Adult Social Care and Health / Client Financial Services | Jan 2021 to May 2024 | £82,468.27 | Nature of the debt: Social care charges for residential care supplied |
| Adult Social Care and Health / Client Financial Services | Nov 2021 to Feb 2023 | £30,458.50 | Nature of the debt: Social care charges for residential care supplied |
| Neighborhoods /Markets | January 2021 to April 2022 | £75,154.57 | Nature and duration of service: Market Rent, service charge and utility charges for stall. |
| Neighborhoods /Markets | December 2018 to October 2022 | £114,862.24 | Nature and duration of service: Market Rent, service charge and utility charges for stall. |
| Neighborhoods /Markets | Nov 2020 to April 2022 | £30,850.89 | Nature and duration of service: Market Rent, service charge and utility charges for stall. |
| Highways & Infrastructure | 27 Apr 2018 to 24-Jun-2022 | £25,814.00 | Nature of the debt: Highways Specified Licence: Skip Permits |
| Total value of Over £25,000 debt for Write Off. | | £1,040,550.54 | |